

**MARKETING COMMUNICATION METHODS USED BY
NAMIBIAN CLOTHING AND TEXTILE SMEs – A CASE
STUDY of SMEs OPERATING FROM KATUTURA AND
KHOMASDAL INCUBATION CENTERS**

By

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submitted in accordance with the requirements for the degree

MASTERS OF COMMERCE

in the subject

BUSINESS MANAGEMENT

at the

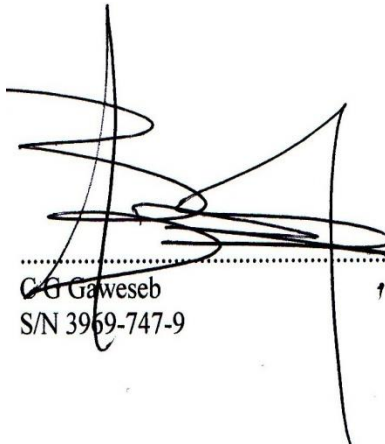
UNIVERSITY OF SOUTH AFRICA

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May 2015

DECLARATION

I declare that **MARKETING COMMUNICATION METHODS USED BY NAMIBIAN CLOTHING AND TEXTILE SMEs – A CASE STUDY of SMEs OPERATING FROM KATUTURA AND KHOMASDAL INCUBATION CENTERS** is my own work and that all the sources that I have used or quoted have been indicated and acknowledged by means of complete references.



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ABSTRACT

The study aimed to determine the marketing communication methods used by Namibian clothing and textile SMEs operating from Katutura and Khomasdal Incubation Centres. A quantitative methodological approach was followed in this study. The sample comprised 45 SMEs with business operations at Katutura and Khomasdal Incubation Centres. A simple random sampling method was selected as the researcher made use of an SME name list provided by the City of Windhoek. A structured questionnaire was used to collect research data. Cross tabulations, correlations and descriptive analyses were used to analyse the research results.

The research indicated that the top five most regularly used marketing communication methods are direct sales, ‘word-of-mouth’, point-of-sale materials, networking, and newspaper advertisement. The least regularly used marketing communication methods are YouTube, television, direct mail, press releases and coupons/vouchers. Networking was the second most important and effective marketing communication method. Trade shows was the third most-preferred marketing communication method and the reasons advanced were ‘it gives me the opportunity to talk to and interact with my customers’.

It is recommended that the City of Windhoek should create incentives for current SMEs operating from Katutura and Khomasdal Incubation Centre to leave the incubation centre for new upcoming SMEs. Further research is necessary to establish the reasons why SMEs do not grow as expected and graduate from the incubation centres. Further research is also necessary to determine challenges faced by Namibian SMEs when considering which marketing communication methods to use. The conducted research recommends that different media houses be approached to design and determine special marketing packages for SMEs. Special SME development or advert sections can be negotiated with newspaper outlets.

The major limitation of this study was that it was confined to clothing and textile manufacturing businesses.

KEY TERMS

Marketing communication method, Trade shows, Word-of-mouth, Advertisement, Media, Print Media, Social Media, Display media, Electronic Media, Small and medium enterprises (SMEs) Networking, Public relations, Integrated Marketing Communication.

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LIST OF ABBREVIATIONS AND ACRONYMS

CSIR – Council for Scientific and Industrial Research
ECCSES – European Commission-CSES
EU – European Union
GDP – Gross Domestic Product
ICDC – Industrial and Commercial Development Corporation
ICT – Information Communication Technology
IT – Information Technology
IFC – International Finance Corporation
IMC – Integrated Marketing Communication
IPPR – Institute for Public Policy Research Unit
KIE – Kenya Industrial Estate
KIRDI – Kenya Industrial Research and Development Institute
KEKOBI – Kenya Kountry Business Incubator
MCA – Millennium Challenge Account
MTI – Ministry of Trade and Industry
NBIA – National Business Incubators Association
NDC – Namibia Development Corporation
NDP – National Development Plan
NEPRU – Namibian Economic Policy Research Unit
NGOs – Non-Governmental Organisations
NPD – National Product Development
PCNs – Personal Contact Networks
SME – Small and Medium Enterprises
SMEIC – SME Incubation Centre
SMEDA – Small and Medium Enterprises Development Authority
UNISA – University of South Africa
USA – United States of America

ACKNOWLEDGEMENTS

Firstly, I would like to thank my supervisor, Prof. Louise van Scheers and my mentor, Prof. Pauw for their support, guidance and encouragement which has made this research possible. Secondly, Mr Masenge who assisted me with the statistical analysis, and to the following people:

- My wife, Mrs Elsie Elizabeth Gaweses, my daughter Cindy-Jade “Ghia” Gaweses and my son Cleo–Theo Gaweses, for their understanding that I could not always be with them while I was busy with the study. Your support cannot be measured in monetary terms.
- My mother, Ms Monica Hiragae Gaweses for her love and encouragement.
- My //amare Mr Michael Mberira and wife Mrs Lina Mberira for their emotional support and assistance.
- My uncle, Mr Gerhardt Si!khaio Gurirab and his wife Mrs Paulina Guriras for logistical support and believing in my efforts to complete this study.
- My colleagues at Africa Institutional Services (AIMS) who provided me with their insights and guidance while doing this study.

Last, but by no means least, the whole Gawese and Gurira family for their continued support and encouragement through the good times and the bad times. They never understood why I would put myself through the torture of doing a Master’s degree, but their support was unquestionable.

CHAPTER 1

INTRODUCTION TO THE STUDY

1.1 INTRODUCTION

This research intends to determine the marketing communication methods applied by clothing and textile manufacturing SMEs (small and medium enterprises) operating from the Katutura and Khomasdal Incubation Centres.

In this the chapter, the background of the study is provided, including a discussion on Namibian SMEs; the Namibian clothing and textile sector; incubation centres globally; incubation centres in Namibia; marketing communication methods; marketing communication methods used by SMEs; networking in SMEs; trade fairs as part of marketing communication, and social media as a marketing communication method. Subsequently, the reason for the study is examined and the research problem defined. Research objectives based on the problem definition are clarified. The research methodology that will be used to attain the anticipated objectives of the study is given and an orientation provided outlining the main components of the research to be undertaken. A chapter summary concludes the chapter.

1.2 BACKGROUND TO THIS STUDY

Notwithstanding the significance of SMEs and their contribution to the economic growth of a country, SMEs are still faced with numerous challenges that inhabit their growth (Hussain, Si, Xie & Wang, 2010). Apart from SME funding and limited access to finance, the Global

Entrepreneurship Monitor Reports (GEM, 2012) noted that SMEs also suffer from poor management and marketing skills. A similar observation is made by Murphy (2006:13–14), who states that certain personality traits shown by small business owners are responsible for the success or failure of their businesses. For example, inadequate marketing skills of owners results in low return on marketing investments in the small business sector. The quality and regular use of marketing communication methods by an SME determines in the long term whether the business will succeed or fail (Iorun, 2014:258). The literature suggests that certain choices with regard to marketing communication methods probably have an impact on SME success (Van Aardt, Bezuidenhout & Mumba, 2008: 249–256).

In light of the above, an exploration of marketing communication methods used by SMEs, specifically Namibian SMEs in the clothing and textile manufacturing sector operating from the Katutura and Khomasdal Incubation Centres may shed light on marketing communication strategies which may be used to greater success of SMEs.

1.2.1 Namibian SME Sector

According to April (2005:2), prior to independence Namibia did not have a well-established small and medium business sector. April (2005:2) further indicated that the primary reason was that larger businesses were white owned and that the (white) minority was also ruling the economy at the time. The black majority of the country did not have a clear idea as to what a small and medium enterprise was. The importance of the small and medium business sector is indicated by the Bank of Namibia Symposium (2010:31) as SMEs contributed approximately 12% to the Gross Domestic Product (GDP), employed about 20% of the workforce between 2004 and 2009, and are helping towards the realisation of the Namibian government's 2030 vision. The primary objective of the subsequent Act on Small Business Development is to regulate, encourage and promote small business activities in Namibia. Next, the Namibian clothing and textile sector will be outlined.

1.2.2 Namibian Clothing and Textile Sector

In 2001, the Ministry of Trade and Industry MTI announced that it had succeeded to snatch up an N\$ 1 billion project ahead of South Africa and Madagascar, which had also been considered as an investment location by the Malaysian clothing and textile company Ramatex (Jauch, 2006:216). According to Jauch (2006:222), before the arrival of Ramatex, ‘there was no clothing and textile industry in Namibia’. Although there is a considerable leather tanning and product-manufacturing sector in Namibia, its clothing and textile sectors are relatively small. Apart from the ‘cottage industry’ manufacturers mainly involved in spinning and weaving of carpets, rugs and wall hangings, there were as yet no fully fledged commercial spinning, weaving or knitting mills in Namibia (Naumann, 2002:30). Since 2002, textile manufacturing occurred mainly in the coastal towns of Walvis Bay and Swakopmund, and to a lesser extent in Windhoek, Dordabis, Gibeon, Lüderitz and Otjiwarongo (Naumann, 2012:30). Due to limited literature on the Namibia textile industry, most sources are from early 2000, which creates a gap to conduct research. Next, an overview of global incubation centres will be discussed.

1.2.3 Global Incubation Centres

Hsu (2012) defines incubation centres as locations for helping SMEs to upgrade and transform themselves, while The National Business Incubation Association (NBIA) of the United States of America (USA) defines business incubators as: ‘a comprehensive business-assistance program targeted to help start-up and early-state firms, with the goal of improving their chances to grow into healthy, sustainable companies’ (NBIA, 2010).

The incubation centre method has been a growing trend for developing SMEs. Szabó (2006:2–4) indicated that the ‘number of business incubators is growing rapidly over the world.’ According to Szabó (2006), there are more than 550 incubators operating in North America, and around 50 incubators in Australia. Over the last 50 years, business incubators have evolved in different ways. The first incubator was established in 1959 in Batavia, New York in the USA, but until the 1970s this concept was unique (Lesáková, 2012). South Africa’s National Department of Trade and Industry recognises business incubation as a viable tool to help SMEs grow and become successful and globally competitive enterprises with the potential to create jobs, alleviate poverty, empower previously marginalised groups and thus contribute to the growth of both

national and local economic development (SEDA, 2010; Timm, 2011).

According to Ndabeni (2008:25) the concept of business incubation is fairly recent in developing countries and still developing in South Africa. Therefore, in the context of this research, a business incubator is described as an organisation that facilitates and provides a protected environment to new, early stage and existing businesses by providing a comprehensive range of shared services and enterprise development assistance. In South Africa, business incubators are run and managed similarly to those in developed countries like the United States of America.

The history of business incubators in Kenya can be traced back to 1967 when the Industrial and Commercial Development Corporation (ICDC) established the Kenya Industrial Estate (KIE) as its subsidiary (Meru, 2011:113). Later, other types of business incubators sprang up that included: firstly, virtual incubators like Willpower Business Solutions Centre; secondly, incubators without walls, which included non-governmental organisations (NGOs) and church-based institutions and thirdly, incubators with walls included the International Finance Corporation's (IFC) SMEs Solution Centre, the Kenya Kountry Business Incubator (KEKOBI) and the Kenya Industrial Research and Development Institute (KIRDI).

1.2.4 Incubation Centres in Namibia

In 1996, the first incubation centre for SME development was opened in Namibia at Katutura with the intention of providing opportunities to previously disadvantaged citizens of Namibia to start small businesses. The Katutura incubation centre is located in the centre of Katutura at the corners of Independence Avenue and Abraham Mashego Street. The incubation centre currently accommodates 151 traders; another incubation centre was opened in Khomasdal in 2006 which can accommodate 41 traders (City of Windhoek, 2012). The objective of an SME Incubation Centre (SMEIC) is to create an environment that empowers entrepreneurs so that they can progress to formal and developed businesses through the provision of necessary business capacity building programmes such as marketing communication methods (City of Windhoek, 2012).

The role and importance of incubation centres at Katutura and Khomasdal are significant as they

are keeping a number of SMEs together and marketing communication methods applied at the incubation centres can benefit all the SMEs located at the incubation centres. Given the difficulty of starting up a business in today's environment, and the evidently high failure rate of SMEs (Van Aardt, Van Aardt, Bezuidenhoudt & Mumba, 2008:49–256) it is important for SMEs to make use of incubation support provided by the City of Windhoek to benefit from growth opportunities provided in Katutura and Khomasdal.

1.2.5 Marketing communication methods

Kotler, Keller, Brady, Goodman and Hansen, (2012:776) define marketing communications as 'the means by which firms attempt to inform, persuade and remind customers.' Marketing communications are also compared to the 'voice' of the company and its brands, and are said to be the ways in which it can establish a dialogue and build relationships with customers (Kotler *et al.*, 2012:776). It is important for SMEs to gain from the unique strength of marketing communication methods to successfully communicate with the end-users. Hence, the selection of marketing communication methods is important for the profitability of SMEs.

According to Kanibir, Saydan & Nart (2014), marketing communication entails the processes of creating communication opportunities and sending messages to and receiving messages from consumers, in order to create the desired reactions in the target audience. As the marketing communication methods are changing, there is a need for SMEs in clothing and textile manufacturing to adjust their communication methods; this may enable SMEs to make use of the latest or more effective form of marketing communication methods.

1.2.6 Marketing communication methods used by SMEs

Kotler, Wong, Saunders and Armstrong (2015) presents marketing communication as a combination of the following modes of communication: advertising, sales promotion, events and experiences, public relations and publicity, direct marketing, interactive marketing, word-of-mouth marketing and personal selling. Belch and Belch (2012:18) indicated that SMEs supplying products and services targeted at mass consumer markets find advertising critical. The development of marketing theories in SMEs has been somewhat limited and often relies on the

application of classical marketing models used for large companies (Chaston and Mangles, 2002). According to Belch and Belch (2012:24), promotional decisions need to be made about advertising, direct marketing, interactive marketing, sales promotion, publicity and public relations and personal selling. Some of these methods have been used by SMEs for at least a hundred years, so individually they are not new, but what is new is managing them in an integrated fashion as part of a strategic communication programme in a changing SME sector.

1.2.7 Networking in SMEs

Networking in SMEs refers to the network process that is undertaken by SME owners-managers in managing business activities (Hakimpoor, Tat, Khani, & Samani, 2011). Niu (2010) argues that the benefits of networking involvement enable trusting relationships among businesses. Furthermore, SMEs harvest from individual ties in their networks, including suppliers, customers, friends and relatives, for various purposes (De Jong and Hulsink, 2012).

According to Kariv, Menzies, Brenner and Filion (2009), networking enhances business competitiveness. SMEs rely on their networks to support and enhance their business efforts to be competitive (De Klerk and Saayman, 2012). A well-networked business enjoys higher growth rates and competitiveness (Hakimpoor *et al.*, 2011). SMEs with more open networks and diverse connections have greater opportunities to develop successful businesses than an individual with many connections within a single or closed network (Harris, Rae & Misner, 2012).

In addition, networks increase a firm's legitimacy, which in turn positively influences the firm's access to external financing. Ngoc and Nguyen (2009) pointed out that in the absence of effective market institutions, networks play an important role in spreading knowledge about a firm's existence and its practices. Networks also help firms learn appropriate behaviour and therefore obtain needed support from key stakeholders and the general public (Olawale and Garwe, 2010:731). This suggests that networking can positively impact on the growth of new SMEs.

According to Danis, Chiaburu and Lyles (2010), networking is a naturally inherent aspect of SME owner/managers' decision making, particularly those decisions relating to marketing. This is because SME owner/managers must go outside the business physical confines in order to do business, and because this business is a marketing-led activity.

1.2.8 Trade fairs as part of the communication mix

Trade fair industry has been remarkably dynamic and it has continued to grow even in the time of economic crises, proving that the exhibition media qualifies as one of the top marketing tools for companies aspiring to advance their business (UFI, 2012). Trade fair participation depends on the integration of various media since it includes other marketing communication tools such as advertising, social media, direct mail, sponsoring, promotion and printed matter (Häyrynen and Vallo, 2012:33).

At trade fairs, companies exhibit their latest products and services, study their competitors and discover new trends and opportunities. Regardless of their limited period of time and dynamic nature, trade fairs are places where relationships between exhibitors and visitors begin and the information sharing starts (Reychav, 2009:143–144). There are diverse trade fairs that are categorised in terms of levels of localisation and target groups. For instance, trade fairs could be divided into international, national, and local, or into general, specialised, and professional trade fairs. Major trade fairs normally provide separate days for visiting by formal business people and the general public (Isohookana, 2007:166).

Taking part in trade fairs is a vital part of the SME's complete marketing communications plan and has its own objectives.. The objective may be to exhibit new products, create new customer relationships, improve company image, or create contacts with other interest groups. When a company considers their contribution in a trade fair, they should think through several issues. Isohookana (2007:166) indicates that SMEs should consider the following issues:

- Type of trade fair: attendance, profile and prices
- Would they reach the right target groups by attending?
- What is the role of the trade fair in their marketing communications?

- What are the objectives?
- What are the costs in relation to benefits?

A trade fair is an event that requires a target-oriented communication plan. For example, companies need to decide which interest groups to invite to their stand and why; who should represent the company in the stand, and what appropriate material they should provide to the interest groups. In addition, it is important for the company to reserve enough time to plan the stand in the trade fair and decide the best area to locate it at (Isohookana, 2007:168).

SMEs in Namibia have the opportunity to showcase their products and services at various trade shows, such as the Windhoek Show, Okakarara Trade Show, Ongwediva Trade Show and Otjiwarongo Trade show. These are major annual trade shows in Namibia.

1.2.9 Social Media as Marketing Communication

Social media can be defined as ‘a group of internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content’ (Kaplan and Haenlein, 2010:61). Social media websites come in various forms, including social bookmarking sites such as Blinklist, social news sites like Reddit, and social video and photo sharing as seen on YouTube. The most popular are social networking sites like Facebook, Twitter and LinkedIn.

According to Garnett (2010), the ability of consumers being online 24/7 has increased in the business environment, and SMEs particularly are feeling this pressure of being online all the time due to the cost involved in internet service provision. It is not easy for SMEs to maintain user loyalty since they really can’t compete with the large organisations that have better financial resources (Garnett, 2010). Garnett (2010) further indicated that SMEs need to be aware that many of their users are not only online and ‘in the buzz’ but are talking about the company's products and services when they are there. If a problem occurs, the customers usually use social media like Twitter or Facebook to leave a comment, therefore the company needs to engage with their users wherever they are and find a solution before the problem arises (Garnett, 2010).

Garnett (2010) argues that many consumers expect this kind of service and SMEs that are not engaged in social networking risk being left out and lose market shares to competitors that are responding to these issues much faster.

1.3 THE RESEARCH PROBLEM

According to De Pelsmacker, Geuens and Van den Berg (2007), the marketing environment has changed in the last two decades; media fragmentation and the need for more cost effective and effective marketing have changed the way marketers approach the task of marketing communications. For ease of reference, these changes are summarised in table 1.1.

Table: 1.1: Marketing environment changes

Marketing environment changes
Loss of faith in mass media advertising Media cost inflation Need for more impact Need for more cost effectiveness and effectiveness Media fragmentation Increased reliance on highly targeted communication methods

Source: De Pelsmacker, Geuens and Van den Berg (2007)

According to the literature, the abovementioned elements in Table 1.1 have encouraged or even forced companies to change the way they organise and conduct their marketing communication activities and seemingly led to more integrated approaches (Kotler and Keller, 2009). Integrated marketing communication (IMC) has emerged as a new concept in marketing in the twenty-first century. Its customer focus, intended to grow and retain customers, is more than just advertising and promotion, and it takes into consideration more than just customers or clients (Luck and Moffatt, 2009:311). Gurau (2008:169–184) defines IMC ‘as a process through which companies accelerate returns by aligning communications objectives with corporate goals. IMC is a

business process that is used to plan, prepare, implement, and evaluate measureable, persuasive and coordinated communication programs methods with present, perspective and targeted customers, consumers, and other internal and external audiences.’

There seems to be a need to investigate the development of IMC in SMEs. Given a situation of media disintegration, technological developments, and consumer recognition of marketing communication methods, no business is immune against these tendencies. It can be stated that SMEs are not immune against these tendencies either. Also, given that SMEs are located almost everywhere and have access to the world wide web, they can also communicate anywhere in the world.

SMEs at the Katutura and Khomasdal Incubation Centres are faced with challenges in trading their products and accessing the markets in which the SMEs operate; it seems from the literature (Mirchevska and Mirchevski, 2007:40) that SME owners and managers are not aware of marketing communication methods to attract customers to their incubation centre. On the other hand, Van Aardt *et al.*, (2008: 249–256) cited poor marketing communication methods as one of the contributing factors to SME failure. This, in spite of the fact that previous studies (Van Scheers, 2010; Van Aardt *et al.*, 2008) pointed out the importance of marketing communication methods for SME survival.

From the review of the research database of various academic institutions, it seems that very little significant research has been conducted in Namibia on which marketing communication methods are mostly applied by Namibian SMEs in clothing and textile manufacturing businesses operating from the Katutura and Khomasdal Incubation Centres. Hence, there is a gap in the literature and the researcher intends to fill that gap by determining the relevance of research findings of, among others, Gilmore (2011) and Mirchevska and Mirchevski (2007:43), which reported that ‘SMEs mostly implement advertising and least, direct marketing’. The researcher intends to test the theory in relation to Namibian SMEs in the clothing and textile manufacturing sector operating from the Katutura and Khomasdal Incubation Centres.

1.3.1 Research questions

The primary research question of this study is to analyse marketing communication methods used by Namibian SMEs in clothing and textile manufacturing businesses operating from the Katutura and Khomasdal Incubation Centres. The following secondary research questions have been formulated to assist in the achieving of the primary objective:

1. What are the marketing communication methods used by Namibian SMEs?
2. Which marketing communication methods are regarded as being the most effective for the SME?
3. What are the reasons for selecting and using those specific marketing communication methods?

1.4 AIMS AND OBJECTIVES OF THE STUDY

The primary objective is to determine the marketing communication methods used by Namibian SMEs in clothing and textile manufacturing businesses operating from the Katutura and Khomasdal Incubation Centres. The secondary objectives are to:

1. Develop insight into the preferred marketing communication methods used by Namibian SMEs operating in the Katutura and Khomasdal Incubation Centres.
2. Explore which marketing communication methods are regarded as being the most effective for the SMEs.
3. Establish the reason for selecting and using those specific marketing communication methods.

1.5 PURPOSE OF THE STUDY

Through perusal of the literature on studies in Namibia, it has been identified that no significant research has been conducted on the current research topic, thereby revealing a gap in the literature whereby a contribution to existing literature can be made. These research findings can therefore lead to further research in the marketing field of SMEs in Namibia.

1.6 RESEARCH METHODOLOGY

This is a quantitative study and descriptive in nature. A questionnaire was developed to collect data. The questionnaire used the format applied in the study conducted by Van der Merwe (2003) on the tourism industry in South Africa, with specific focus on tourism in the Gauteng Province. The questions were responded to by SME owner/managers operating from the Katutura and Khomasdal Incubation Centres.

1.6.1 Research design

According to Brown (2006:63) the research design is the plan or overall scheme of the investigation, designed to provide answers to the research question. Cooper and Schindler (2011) indicated that the research design is a framework for specifying the relationships among variables and outlines the procedures for every research activity. Descriptive research was the research design chosen for this study because the researcher was not interested in finding a cause-and-effect relationship, neither merely classifying the problems or opportunities, but rather making inferences about the results obtained (Chapter 4 provides a detailed discussion on the research design).

1.6.2 Population

According to Brown (2006:66), population is the overall collection of whatever it is that the researcher needs to examine. The population for this study is SMEs drawn from incubation centres registered with the City of Windhoek. At the Katutura Incubation centre, 151 SMEs are accommodated while the Khomasdal Incubation Centre accommodates 41 SMEs (City of Windhoek, 2012). Data was sourced from one sub-population: clothing and textile manufacturing SMEs, which totalled 109. The reason why clothing and textile manufacturing SMEs were selected is that they make up more than 50% of SMEs registered with the City of Windhoek and the Katutura and Khomasdal Incubation Centres (City of Windhoek, 2012).

1.6.3 Sample

A simple random sampling method was selected as the researcher made use of an SME name list provided by the City of Windhoek. A questionnaire was sent to 15 randomly selected SME owners/managers at the Katutura Incubation Centre and another 30 located at the Khomasdal Incubation Centre, which made up the sample size of 45 out of a population of 109 registered clothing and textile manufacturing SME businesses. The key reasons why simple random sampling was used are for greater accuracy of the results and greater speed of data collection (Brown, 2006).

The Small Business Baseline Survey of the Khomas Region (MTI, 2002:16) indicates that there are 5369 SMEs in the Khomas region.

Table: 1.2: Small Business Survey in Khomas Region

Sector	Windhoek		Katutura		Khomasdal	
	Total	%	Total	%	Total	%
Manufacturing	71	5.6	337	8.3	408	7.6
Trade	720	56.3	3264	80.0	3984	74.3
Service	401	31.4	472	11.6	873	16.3
Others	87	6.9	7	0.1	94	1.8
Total	1279	100.0	4080	100.0	5359	100.0

Source: MTI, 2002.

1.6.4 Data Collection Method

The questionnaires were personally handed to the research participants. A questionnaire is a general term that includes all techniques of data collection in which each person is asked to respond to the same set of questions in a predetermined order (Saunders, Lewis & Thornhill, 2009).

1.7 ISSUES OF VALIDITY

Content validity was assured by conducting a pilot test among six SME owners/managers to test the validity of the questions. During the pilot study, authentic questions were put to the ‘participants’ to observe and determine the attitude of the respondents towards the questions in the questionnaire.

1.8 LIMITATIONS OF THE STUDY

The limitations of this study are mainly based on the following facts:

- 1.8.1 The study was confined to clothing and textile manufacturing businesses, since they are the majority of registered businesses in the incubation centres.
- 1.8.2 The researcher had to trust the respondent’s responses, as he had no mechanism for verifying or checking the respondent’s statements and opinions.
- 1.8.3 The survey method was used, despite its limitation, due to the limited time and funds.

1.9. LAYOUT OF THE RESEARCH STUDY

Chapter one provides a background to the study with the focus on the importance of incubation centres and marketing communication methods, while the problem statement is followed by an explanation of the overall aim of the study. Thereafter, specific objectives of the study and the research methodology were discussed.

In chapter two the literature review covers the role and the significance of the SME sector in Namibia. In this chapter, a Namibian definition of SMEs is provided, followed by Namibian SMEs’ contributions to the mainstream economy. Finally, incubation centres globally and in Namibia are discussed.

Chapter three presents a broad spectrum of the theoretical background on marketing communication and the theory on SME marketing communication and marketing communication methods used by SMEs.

Chapter four will discuss the research methodology. Specific topics discussed are the design of the research, description of the population, sampling design and the actual methods that were used to collect data for the study.

Chapter five reports the findings from the research. The results are presented and discussed in terms of the theory and practice of marketing communication methods applied by Namibian SMEs. It provides results on the marketing communication methods that are used by clothing and textile manufacturing SMEs operating from the Katutura and Khomasdal Incubation Centres. It indicates which marketing communication methods are preferred by clothing and textile manufacturing SMEs operating from the Katutura and Khomasdal Incubation Centres.

Chapter six will conclude the study. A summary of the marketing communication methods applied by clothing and textile manufacturing SMEs operating from the Katutura and Khomasdal Incubation Centres will be provided. Specific emphasis will be placed on practices of marketing communication methods applied by clothing and textile manufacturing SMEs operating from the Katutura and Khomasdal Incubation Centres.

Finally, overall recommendations and also specific recommendations and conclusions will be outlined in this chapter.

1.10 SUMMARY

This chapter presented an overall framework for the research study through a discussion of the following: the background to the study, marketing communication methods applied by SMEs and marketing communication methods in general. Incubation centres globally and those in Katutura and Khomasdal were discussed. The aim of the research and the significance of the study were also discussed by indicating the benefits of the study. The objectives of the study are also indicated. Finally, the research methodology and outline of the study are provided. In chapter two the role and the significance of the SME sector in Namibia will be discussed.

CHAPTER 2

THE ROLE AND SIGNIFICANCE SME SECTOR IN NAMIBIA

2.1 INTRODUCTION

Chapter one provided an overall framework for the study through the discussion of the background, research methodology and outline of the study. The aims and objectives of the study were developed which originated from the problem statement. The research aim is to determine marketing communication methods used by Namibian SMEs in clothing and textile manufacturing sector with specific reference to the operating at the Katutura and Khomasdal Incubation Centres.

In this chapter, the role and significance of the SME sector, the contribution that the SMEs make to the Namibian economy and incubation centres are discussed.

2.2 DEFINITION OF SMEs

In Namibia, there are several names and definitions given to the SME sector which some organisations may even term as the informal sector (Hansohm, 2004). The multitude of definitions should not be regarded as a problem in itself but an indication of the challenges regarding the lack of clarity by those dealing with the sector. A widely used definition of the SME sector in Namibia is that of the MTI – reflected in Table 2.1.

Table: 2.1: MTI's Small Enterprise Definition

Sector	Employment	Turnover (N\$)	Capital N\$ Employed
Manufacturing	Fewer than 10 persons	Less than	Less than 500,000

		1,000,000	
Service	Fewer than 5 persons	250,000	100,000

Source: MTI (2005).

Measuring capital investment, as suggested by the above definitions, is problematic because of the difficulty of achieving accurate measurement and also because of the impact of inflation (NEPRU, 2004:1). Because it is easy to count employees, the employee characteristic, therefore, remains a valid criterion. About 68% of SME businesses are small and have less than three persons on their payroll. Fifty-eight per cent (58%) of these businesses realise a turnover of less than N\$ 35,000 per annum whilst only 6% of the businesses realise a turnover of over N\$ 250,000. The baseline study which was conducted by the MTI in the Erongo and Otjozodjupa regions also suggested that the definition be reviewed in light of the findings that the average number of employees in the SMEs is two to three (MTI, 2005:54).

The current definition of SME does not cover the medium enterprises and some of the SMEs surveyed in this research project are in a different category. Based on this observation, the researcher added a medium enterprise category. Gilmore (2011) defines medium enterprises as those employing more than 15 people in the manufacturing sector and more than 10 people in the service sector, with a turnover of more than N\$ 2 million in manufacturing and N\$ 500 000 in the service sector.

The MTI study suggests that the current definition be reviewed in light of international definitions on the SME sector in order to allow comparisons (MTI, 2005). The aforementioned study concluded that the majority of the enterprises will remain as micro-enterprises with the exception of a few that might transform themselves into small or ultimately large businesses. The MTI study suggested that this phenomenon be appreciated, as micro-enterprises make use of resources which would otherwise go unutilised. The purpose here is not to reject the definitional criteria given, but to point out their limitations and how such limitations may give us a blurred picture of the sector.

Based on the experiences of SMEs around the globe, the International Finance Corporation (IFC)/World Bank Group-SME (2002) created their own SME definition for countries in the world. The objective is to measure the growth of SMEs in terms of employment, income generation, social balance, country development, regional integration, and global development. Table 2.2 reflects the common global SME definition of the IFC/ World Bank Group.

Table: 2.2 SME definitions of IFC and the World Bank Group

SMEs characteristics	No. of employees	Capital investment	Annual turnover
Micro-enterprise	Less than 10	Less than US\$100,000	Less than US\$100,000
Small enterprise	10-50	\$100,000-\$300,000	\$100,000-\$300,000
Medium enterprise	51-300	\$3,000,000-\$15,000,000	\$3,000,000-\$15,000,000

Source: IFC/ World Bank Group-SME, (2002).

As indicated in table 2.2, most of the Namibian enterprises would be classified as small, or rather micro-enterprises. For example, it was established in the four northern regions of Namibia, where the majority of the people live, that 58% of the enterprises have a monthly turnover below N\$ 1000, while 84% have turnover below N\$ 5000 (MTI, 2005). The data collected also showed that 78% of businesses were very small and employed less than three people (MTI, 2005).

The study on Namibia conducted by the Institute for Public Policy Research (IPPR, 2005) clustered its national sample of 337 SMEs into different business classifications. The percentages share which was calculated (Table 2.3) gives an indication of which industry sectors SMEs are particularly active.

Table: 2.3 SME clusters

Clusters	No. of SMEs	% Share of SMEs
ICT, Electronics and Business Consulting	40	11.88
Transport	26	7.72
Body, Care, Health and Crèches	37	10.89

Hospitality, Tourism and Crafts	32	9.5
Food: Manufacturing, Selling and Catering	81	24.05
Metal and Mechanics: Manufacturing Services	34	10.1
Textiles and Leather: Manufacturing and Services	39	11.52
Construction, Maintenance and Carpentry	31	9.2
Others	17	5.05
Total	337	100

Source: IPPR/ World Bank Group-SME, (2005).

2.3 SME CONTRIBUTION TO THE MAINSTREAM ECONOMY

According to Tang, Wang and Zhang (2007:118–125), SMEs are considered to be a key stimulant of economic growth for many developing countries and comprise over 90% of all businesses globally. SMEs contribute to economic development by creating employment for the rural and urban labour force, providing sustainability, and providing innovation in the economy as a whole. SMEs contribute to raising the living standards of society by stimulating the economic activity, the diversity of products offered to consumers and creating new jobs. (Ciubotariu, 2013:202).

Parrott, Roomi and Holliman (2010: 199) indicated that SMEs are placed in close proximity to the marketplaces they seek to sell and market to. They need to be vigilant in not becoming complacent by using familiar marketing communication methods to reach their market. To ensure regular contact with their customers, SMEs do need to be more effective and scientific in maintaining quality records, using databases, and consistently reviewing and evaluating marketing communication methods they have used to market their goods and services. The rapid development of digital and social networks places a greater need for all organisations to deliver effective and relevant communications across an ever-widening and fragmenting marketing landscape.

Edmiston (2007) indicated that politicians, academics and developmental economists are of the view that enhancing small business development and promoting entrepreneurship would be a good strategy to contribute to and promote economic development. Edmiston (2007) further stated that, from the viewpoint of economic development, small businesses create almost half of new jobs in the economy, and it is assumed that they are sustainable jobs. One of the main characteristics of the informal sector of the economy is its flexibility in production (Sanchez, 2006). Based on ‘small is smart’, successful businesses are those that continuously introduce new/improved varieties of products.

Edmiston (2007) argues that small businesses are more flexible and better adapted to changing market conditions. Hence, it is important to create an environment conducive to the operation of small businesses, innovation, and the creation of needed jobs as a strategy to better economic development.

According to Pang (2008), SMEs are also the major growing force behind the fastest growing economy (China), in terms of contribution to the national Gross Domestic Product (GDP) (accounting for 40%), scale of assets, diversification of products, and the creation of employment. Similarly, the role of SMEs is well-acknowledged in other countries such as Japan, Korea, and all other industrialised economies in terms of creating employment, reducing poverty and increasing the welfare of the society. Experts and economists are unanimous about the role and importance of SMEs in the development of Pakistan’s economy. According to the Small and Medium Enterprises Development Authority (SMEDA), ‘SMEs constitute nearly 90% of all the enterprises in Pakistan; employ 80% of the non-agricultural labour force; and their share in the annual GDP is 40%, approximately’ (Neumark, Wall & Zhang, 2008).

According to Kongolo (2010), SMEs have historically played an important role in contributing to the economic development of many countries around the world. It is the researcher’s view that naturally all businesses start as small businesses or even start out of small businesses initiated by individuals. Kongolo (2010) asserts that in South Africa, SMEs account for about 91% of the formal business entities, contributing to between 51 and 57% of GDP and providing almost 60% of employment. The main challenges affecting SMEs in South Africa include lack of

management skills, finance, access to bank credit, access to markets, appropriate technology, low production capacity, recognition by big companies, lack of interest, long bureaucratic processes, and support for the roles that small businesses can play in economic development. According to Ngwenya (2012:202), another challenge facing South African SMEs is marketing factors such as poor location, lack of or insufficient marketing, inability to conduct marketing research, misreading the market, poor products or service and misreading customer trends and needs. These also impact on the success of SMEs.

Recent studies show that the economic growth of any country is closely linked with SME development. There is a positive relationship between the relative size of the SME sector and economic growth. The contribution of formal SMEs in high-income countries amounts to almost 50% of GDP on average. It is also imperative to note that the majority of employment generation is through the growth of the SME sector only (Ardic, Mylenko & Saltane, 2011).

According to Pandya (2012:428), India and Indonesia represent a scenario of developing countries in the SME sector. In India too, as in other developing countries, the contribution of the SME sector to manufacturing output, employment and exports of the country is quite significant. In terms of value, it is noted that the SME sector of India accounts for 45% of the manufacturing output and 40% of the total exports. Also, the SME sector employs around 42 million people in over 13 million units throughout the country.

2.4 CONTRIBUTION OF NAMIBIAN SMEs TO THE MAINSTREAM ECONOMY

Namibia has witnessed a phenomenal growth in the number of new businesses. This is especially true when it comes to the operation of SMEs. Indeed, almost 40 000 SMEs are currently registered in Namibia. SMEs in Namibia contribute to the national economy of Namibia in various ways, such as employment creation, adding value to the gross domestic product of the country, and assisting in the realisation of the government's 2030 vision agenda (Kambwale *et al.*, 2015:81).

The Second National Development Plan (NDP2), published in 2004, highlights a number of key areas where SMEs should be able to play an important role, and provides several recommendations for ways in which their role may be enhanced in order to achieve the developmental objectives of the country. The plan clearly states that ‘the pursuit of economic growth makes attracting substantial investment into manufacturing and other value-adding economic activities, during NDP2 and beyond, a fundamental challenge, stressing that the aggressive promotion of investment is vital to advancing the growth of SMEs’ (National Planning Commission, 2007:4). It is stated that SMEs should also provide a foundation for attracting investment into the country, and should therefore be seen as entities that can ensure economic growth as well (NEPRU, 2004).

The Namibian SME sector is now recognised as an increasingly important source of wealth creation, employment creation, technology transfer, capital inflow (import and export of goods/services), generating economic growth and poverty alleviation in any country (IPPR, 2005).

According to the Bank of Namibia Symposium (2010:31), SMEs in Namibia have contributed approximately 12% to the GDP, have employed about 20% of the workforce between 2004 and 2009, and are helping towards the realisation of the Namibian government’s 2030 vision.

2.5 INCUBATION CENTRES

The Bahrian Business Incubator Centre (BBIC) states that business incubation is a business support process that is designed to accelerate the successful development of entrepreneurial small businesses through an array of targeted resources and services which are offered both in the incubator and through its network of contacts. The main goal of this process is to produce successful enterprises that leave the business incubator financially viable and freestanding (Ramluckan, 2010:7). The importance of incubation in small business development cannot be overemphasised. Business incubators have a burgeoning role to play in encouraging entrepreneurship, promoting start-up businesses and cultivating economic development (Qian, Haynes & Riggle, 2011).

Business incubation is an important process in the overall economic development strategy of a country. It is one of many ways to foster entrepreneurship and business development, and it has proven to be more cost effective than alternative SME support structures in accelerating the start-up of small businesses and maximising their growth potential. Studies have shown that publicly supported incubators in general are more cost effective in providing jobs than other public mechanisms. In the United States, business incubators generate up to twenty times more jobs than any other federally funded community infrastructure programme and at a fraction of the cost per job (NBIA, 2010). Incubators are generally characterised by the following features:

- A managed work space providing shared facilities, advisory, training and financial services, and a nurturing environment for tenant companies;
- Selection of start-up companies entering the incubator, 20 to 25 on average, to be graduated generally after 3 years.

Incubator models may vary according to:

- Their mandate (for-profit or not-for-profit)
- The type of sponsorship they have (public – private – mixed)
- Their focus (mixed-use – niche). The most frequent types of niche incubators are related to technology (technology incubators) and bio-technology (bio-incubators). More recently, and especially in the USA, a new generation of dot.com incubators emerged, although their number considerably decreased after the so-called ‘internet bubble’ in early 2000 (NBIA, 2010).

Services provided in incubation centres have provided a key boost for small and medium enterprises in transformation, and has been a facilitator in promoting interaction between small and medium enterprises. Ramluckan (2010:8) states that a business incubator is a business support process that accelerates the successful development of start-up and fledgling companies by providing these companies with an array of targeted resources and services that are developed or orchestrated by the incubator’s management. The main goal of the incubation process is to produce successful firms that will leave the program financially viable and freestanding. Next the incubation centres in Taiwan and China will be discussed.

2.5.1 Incubation Centres in Taiwan

The incubation centres in Taiwan and China will be discussed because much can be learned from these countries. Taiwan's incubation centre has a lengthy history. It went through start-up and planning stages, rapid growth, a strengthening phase, and a period for the construction of a business start-up platform in the course of development to become a well-integrated advisory system. The incubation centre combines the knowledge capabilities of the government, academia, research institutions and the private sector. It provides an environment and ideal package of measures to develop the capacity for creation of innovative knowledge and competitive advantages and apply knowledge and innovation to boost the effectiveness of corporate operation (Lin, Hsieh, & Lai, 2012:119).

According to Lin *et al.*, (2012:119), there were 1 232 000 SMEs in Taiwan in 2009, representing 98% of all business enterprises; 80% of these SMEs were in the service sector. The number of persons working in SMEs in 2009 was 8 066 000, which represents 77% of the total employed persons. (SMEA, 2010). Taiwan's economic system is typically small and open, the same as South Africa. Facing fierce international competition, most of the SMEs find it difficult to satisfy their long term innovative needs. The Innovation or Incubation Centers are becoming the best strategy for SMEs to develop new products or new technologies and to train practical technical talent well because of the favourable business climate.

2.5.2 Incubation Centres in China

According to the Chinese Ministry of Science and Technology, there were 534 business incubators in China in 2005 with a combined capital of RMB 3.48 billion. It was predicted that by 2010, the number of incubators in China would reach 1000 with each having 50 tenants and office space of 500 m² on average (Qian, 2006). The business incubation industry in China is arguably the largest in the developing world and the second largest worldwide, after the USA.

Xu (2010: 93) indicated that Chinese business incubators typically provide tenants with various types of physical resources or facility-related services to help reduce the cost faced by start-up enterprises. In a broader classification, the services offered include affordable and flexible space and building facilities, office equipment and shared office services. In addition to the

infrastructure-related services, business incubators directly and indirectly help to enhance the credibility and visibility of tenants businesses in several ways. These include lending the credibility of the incubator to the tenanted businesses and promoting the businesses through positive word-of-mouth campaigns among people within the incubator's networks and contacts.

According to Scaramuzzi (2002:16–17), incubators in China pay much attention to provide all kinds of value-added services for tenant companies, including:

(i) Funding sources and financial consulting.

Funding is always a key problem when establishing an enterprise, especially for small businesses in the high-tech sector. Incubators assist entrepreneurs in financing by making use of its linkage with government, banks and other related institutions. At the same time, those incubators that have enough capital would like to help entrepreneurs to overcome financial difficulties by using their own funds. Incubators also provide assistance in the tenants' daily financial management in terms of accounting, consulting and acting as financial representative for newly built enterprises.

(ii) Training.

The present training approach is mainly to organise various training courses, with study tours at home and abroad as supplement. The training programme covers policies and laws, business management, marketing, international trade, finance and tax, audit and insurance. The overall objectives are to improve the entrepreneurs' management skills, and help to transfer them from technology personnel to technology entrepreneurs.

2.5.3 Incubation Centres in Brazil

According to Chandra (2007: 4) there are over 400 incubators in Brazil. The Brazilian incubation market is regarded as the fourth largest in the world after the United States, Germany and China. Regional and national incubator networks in Brazil are evolved and play a significant role in influencing government policy directed at the growth of business incubators. A multitude of government organisations at federal, state and local levels are involved in assisting incubation efforts. The business incubation landscape in Brazil is vast, varied and complex with a plethora

of incubation models, some of which have evolved in response to unique local needs, such as the need for poverty alleviation (Chandra, 2007).

Scaramuzzi (2012:16) stated that ‘the Brazilian incubator environment is one of the most dynamic in the world, with growth rates averaging 30 per cent over the last five years’. Brazil’s incubators tend to be small (eight tenant companies on average) and are generally attached to research/academic environments. Over the last decade, incubator networks started to appear in Brazil. Currently, there are ten incubator networks. Each of them serves the incubators located in specific regions/states, often linking them through an intranet service. A number of incubator networks also offer portals to facilitate the sharing of information among the incubators and the companies in the region, and provide services to the incubator network (Scaramuzzi, 2002).

2.5.4 Incubation Centres in South Africa

South Africa’s national Department of Trade and Industry recognises business incubation as a viable tool to help SMEs grow and become successful and globally competitive enterprises with the potential to create jobs, alleviate poverty, empower previously marginalised groups and thus contribute to the growth of both national and local economic development (SEDA, 2010 and Timm, 2012).

A critical milestone in the development of business incubation in South Africa was the establishment in 2000 of the Godisa Trust programme (Ramluckan and Thomas, 2011). The term Godisa is a Setswana word for ‘helping grow’. The GODISA programme was an outcome of a merger of several existing small business development organisations. These organisations included *inter alia*, the National Technology Transfer Centre, the Technology Advisory Centre, the Technology for Women in Business, and small businesses.

Limited research was completed about incubation centres in Namibia therefore only a limited discussion was possible.

2.5.5 Namibian incubation centres.

According to Kimaro, Ihula and Angula (2012:67), the City of Windhoek established the SME Incubation Centre in Katutura with the objective of assisting small businesses to breed and evolve into formal small and medium enterprises in a period of between two to three years after entering incubation. However, most of the businesses that entered the N\$11-million SME Incubation Centre during its opening in 2002 are still in incubation.

A review of the City of Windhoek's five-year Local Economic Development strategy has unearthed concerns regarding the small and medium enterprises, the very same people the strategy aims at developing. Of particular concern is the city's SME Incubation Centre that opened in 2003 with much fanfare and expectation. After almost six years of operation, the SME Incubation Centre has produced zero graduates (Kimaro *et al.*, 2012:67).

Rosendahl (2010:35) indicated that 'there are increasing efforts to enhance value-addition in Namibia in order to increase the producer's share of the final profits'. Amongst other things, the Millennium Challenge Account (MCA) is planning to establish new processing facilities and SME incubation centres with standardised mechanisms for quality control (on-site and through public-private partnerships with commercial laboratories) in order to be able to guarantee compliance with quality standards and market-specific regulations such as the European Union (EU) Novel Food Regulation.

Some of the priorities to set up the long-awaited support services for the SMEs at the incubation centre are: condition of mentorship and training in marketing, and business management. This study focused on countries regarded as developing economies. Hence incubation centres in China, Brazil and South Africa was the focus.

2.6. SUMMARY

SMEs played a significant role in the development of several countries as it constituted a major part of the industrial activity both in developed or developing economies. In all the economies surveyed, both developed and developing, incubation centres provide for small and medium

enterprises facilities to start-up their businesses. The contribution of small and medium enterprises (SMEs) in the development of the Namibian economy has been significant, both in terms of contribution to GDP and creation of employment opportunities.

Brief histories of incubation centres were provided and it is evident that incubation centres have evolved since the early 1950s. Incubation centres provide services such as training, trading facilities and marketing to SMEs. Incubation centres are seen or perceived as providing a key boost for SMEs in transformation and has been a facilitator in promoting interaction between small and medium enterprises and local industries; this is a position and role that has been growing in importance. In Namibia, the incubation centre method for SMEs is a relatively new concept and it's in a growing stage.

CHAPTER 3

MARKETING COMMUNICATION METHODS

3.1 INTRODUCTION

In chapter two the role and significance of SMEs in Namibia were very briefly discussed. Incubation centres in Katutura and Khomasdal were discussed and the history of incubation centres in general was mentioned. The main secondary source for this chapter is information collected from previous studies on marketing communication methods, text books on marketing communication methods, academic journals, newspaper articles, and internet sources, unofficial SME policy documents that have been received from Namibian SMEs, and official government documents.

This chapter provides a review of existing literature on issues such as which marketing communication methods are used by SMEs and the theory on marketing communication and different media used by SMEs.

3.2 MARKETING IN SMEs

Marketing theories are typically taught from conventional textbooks (Brassington and Pettitt, 2012; Kotler *et al.*, 2015, and Jobber, 2009) which focus on marketing activities such as planning, marketing research and the implementation of the marketing mix (4Ps and 7Ps). These theories are designed for large organisations where financial resources and marketing expertise are more readily available. After a systematic evaluation of various textbooks, it is clear that discussions on marketing methods are focused on large companies, organisations and firms. Research found that the textbooks used in this study did not refer specifically to SMEs. Owing to

the unique characteristics and constraints of SMEs, including the inherent characteristics of SME owners/managers, the dynamic business environment and the lack of resources within SMEs (O'Dwyer, Gilmore & Carson, 2009:46), it is inappropriate to assume SMEs can adopt the same or similar marketing approaches as large organisations. Hence, there is a need to develop new and refine existing marketing models, which can be used to profile the marketing practices in small firms (Moriarty, Jones, Rowley & Kupiec-Teahan, 2008).

Marketing theories and concepts have been based on large organisational practices and it could be argued that conventional marketing definitions, theories and models in textbooks may not apply to the context of small firms (Moriarty *et al.*, 2008; Simpson, Padmore, Taylor & Frecknall-Hughes, 2006; Stokes and Wilson, 2010). The existing literature also suggests that the nature of the SME context and the characteristics of SME owners/managers have an impact on how small firms practice marketing. An increasing number of studies (O'Dwyer *et al.*, 2009:61) have taken SME owners/managers' characteristics into consideration when applying marketing theories to the small business context. It has been affirmed by various researchers that the conformist marketing planning theories and concepts do not conform to the small firm's setting due to the unique personality and managerial competences of owners/managers.

Marketing theory development in SMEs has been limited and often depends on the application of classical marketing models used in big business to smaller businesses (Chaston and Mangles, 2002). Kotler, Wong, Saunders and Armstrong (2008) believe that for small firms, marketing methods (and marketing communication methods) can be approved and tailored to resources available with success.

3.3 MARKETING COMMUNICATION

Marketing communication has evolved over a period of time from awareness level of integration to image level integration to functional integration to coordinated integration to consumer based integration to stakeholder based integration to relationship management integration (Panda, 2011). It is a promotional tool along with other marketing mix components to gain advantage over competitors to reach the highest level of consumer satisfaction by knowing the right touch-

points. It is a data-driven approach using outside-in thinking focused on identifying consumer insights using both on- and offline channel strategy to develop a stronger brand-consumer relationship (Sisodia and Telrandhe, 2010). Integrated marketing communication is thus the voice of marketing, creating brand awareness, delivering information, educating the market and presenting a positive image of the company.

In view of this statement, it is important that SMEs should aim to select the marketing communication method which will promote the business most successfully. In this context, marketing communication is a wide term which can be understood in many ways. The main objective is, however, to make a product known by various methods. Like every project, marketing communication must be planned carefully.

Baines, Fill and Page (2008:443) indicate that marketing communication actually consists only of three elements: a set of methods, the media and messages. The methods to achieve promotion are advertising, sales promotion, personal selling, direct marketing and public relations, which are introduced later in this dissertation. Usually several promotional methods are used concurrently. Duncan (2008:15) states that ‘marketing communication is the collective term for all the communication methods used in the marketing of a product’. Each marketing communication method has strengths and SMEs and agencies are finding better ways to use these functions strategically (Duncan, 2008:16).

Koekemoer (2011:11–13), in his description of promotional methods, provides more clarity on how these methods can provide assistance to promotional strategy:

- **Advertising:** this element involves all the forms of paid impersonal communication through the mass media regarding goods and services, with the purpose of attracting attention, informing, persuading and reminding the client.
- **Personal selling:** a person-to-person process by which the business learns about the prospective client’s needs and seeks to satisfy them by offering suitable products or services.

- **Sales promotion:** this element refers to any action that offers incentives for a limited time frame to encourage a required response such as test or purchase.

Mirchevska and Mirchevski (2007:43–44) state that SMEs most often implement advertising and the least direct marketing. This finding needs to be tested in this study. Yan and Makinde (2011: 239) stated that it is motivating that companies ‘rely’ on one of the oldest but still relatively effective form of communication and promotion, i.e. advertising ‘lips to lips’, promotion of a personal type in the relations between relatives, friends and co-workers.

3.4 MARKETING COMMUNICATION METHODS

Marketing plans are beneficial, thus they help to identify competitive advantages and secure resources, gain commitment through communication with participants, and set objectives and strategies. This claim is supported by empirical evidence that suggests that there is a relationship between formal strategic planning and small and new enterprise survival and success (Kraus, Schwarz and Harms, 2008). Having a successful SME will mean executing a successful marketing communication method. The word ‘marketing’ is used to denote a variety of non-identical activities; therefore, it was necessary to create the term ‘marketing communication’ to univocally indicate advertising-type communication.

It is important to consider the advantage of applying good marketing communication methods for the SME. The primary advantage it gives in an entity is to make it known to the general public, especially if a product or service is new, so that people will know what it can offer them. Established businesses which have been in the industry for many years never stop promoting and marketing their product or service for people to continuously support and patronise their business (Gardener, 2010).

According to Kotler and Armstrong (2012:442), the multiplication of ways to reach consumers through traditional and non-traditional media have forced organisations to move away from a mass communication model and to cope with an increasing number of marketing communication options.

In the study conducted by Grönroos (2007: 99–113), it is stated that marketing communication has experienced several changes since 1990. It has evolved from production and sales-centred to customer and relationship-focused marketing. Instead of short-term individual transactions, marketers have started to value long-lasting relationships. Interaction has proven to be more effective than one-way communication and it has been realised that marketing is not the task of only the marketing department, but the whole organisation.

According to Wincent (2005:437–53), the most widely cited marketing communication method for SMEs is networking. Establishing networks is imperative during the establishment, development, and growth of SMEs. Networking, or the development of Personal Contact Networks (PCNs) in SMEs has been identified as vital and innate to SME marketing strategy, practised in order to boost market knowledge, gain access to marketing resources and share knowledge and experiences (Gilmore, 2011).

Research by Resnick, Cheng, Brindley and Foster (2011:44) suggest that marketing communication in SMEs is centred on customer engagement, networking and word-of-mouth communication with web-based marketing emerging as a key area of marketing communication development. The same research of Resnick *et al.*, (2011:41–43) indicated that SMEs carried out a significant number of marketing activities ranging from traditional marketing communication such as trade and consumer press advertising, viral marketing, web-site search engine optimisation, promotional activities such as customer networking, exhibitions and use of databases for customer identification. The study revealed that within certain small business environments, traditional marketing communication methods such as advertising and sales promotions of services were perceived to be damaging to credibility, with owners preferring to craft their activities to suit their individual business dynamics (Resnick *et al.*, 2011).

The five factors found in all marketing communication are persuasion, objectives, contact points, stakeholders and marketing communication methods (Burnett and Moriarty, 1998:4). Since this study focuses on marketing communication methods, the methods will be discussed at length in

terms of SMEs where applicable. Firstly, a brief discussion of persuasion, objectives, contact points and stakeholders is necessary.

- Persuasion. All marketing communication tries to persuade the target audience to change an attitude or behaviour, or provides information. Marketers can persuade in a variety of ways, including providing incentives, giving reasons why a product should be purchased or supplying information on certain product objectives.
- Objectives. All marketing communication is goal directed. Generally, marketing communication objectives involve creating brand awareness, delivering information, educating the market and advancing a positive image for the business or product (for this research study within the SME context). The ultimate goal is to help sell the product to keep the company in business.
- Contact points. These are points where the customer and product/company come into direct contact with each other. Successful marketing requires managing and coordinating marketing messages at every contact point the company has with its target audience (Burnett and Moriarty, 1998:5) and this obviously applies to SMEs as well.
- Stakeholders. A stakeholder is a person who has a stake in the success of an SME or company products. Various parties can be regarded as stakeholders, for example, customers, shareholders, employees, distributors, suppliers, government and the media.

3.5 MEDIA

Du Plessis, Bothma, Jordaan, and van Heerden (2009:56) define media as ‘a communication outlet or a group of outlets used to communicate information, news and advertising messages to an audience.’ Two important advertising media types are: broadcast media and print media. Television and radio are broadcast media, while newspapers, magazines, billboards, direct mail and leaflets are examples of print media (Du Plessis *et al.*, 2009: 41).

Belch and Belch (2012:193) argue that information received from personal influence outlets are generally more convincing than information received via mass media, since the sales message is far more flexible, personal and powerful than in an advertisement. The message can be adapted to prospective customers at the time of sale and immediate feedback is possible.

3.5.1 Media Selection

The media selection process should take into account not only the characteristics of the media but also those of the audience itself, the message objectives and the media used by competitors (Kotler and Armstrong, 2012: 468). To select media, the advertiser should consider the reach and regularity needed to achieve the advertising objectives.

Communication model

Communication is a process whereby a commonality of thought needs to be developed between the sender and receiver so that communication can occur (Shimp, 2010:117). The communication process involves eight elements: source, encoding, a message, a channel, a receiver, decoding, the possibility of noise, and feedback.

As mentioned previously, marketing communication sends messages, ideas and information to a target audience. To communicate the marketing message effectively, SMEs must comprehend that everything they do can send a message. Planned and unplanned messages can be sent into the environment. Planned messages take the form of marketing communication methods, for example, advertising, sales promotion, public relations, direct marketing or personal selling (Kotler and Armstrong, 2012: 471). Unintentional messages, however, include all the other elements associated with the SME or company which are capable of delivering implicit messages to consumers (Kotler and Armstrong, 2012: 468). Examples of this could be the presentation of facilities and equipment, transportation, response service, crisis management or word-of-mouth.

3.5.2 Broadcast Media

Broadcast media include television and radio which are considered to be similar because they both produce fleeting messages (Duncan, 2008: 388). In other words, the message appears and once complete, it ‘disappears’ – it cannot be seen again until it is rebroadcast. This is in opposition to print media, where material can be viewed whenever the target audience wants to. Broadcast media are regarded as more intrusive than print media (Duncan, 2008:389). In the case of print media, readers can select stories and advertisements to read in whatever order they wish and can completely ignore whole sections. On the contrary, broadcast media are presented in a

stream one after the other and viewers cannot select which one to watch – they are compelled to watch or listen to the advertisement being broadcast as long as they are watching or listening. This may appear to be an advantage of broadcast media, but advertisers should bear in mind that people do other things whilst listening to the radio and when television commercials are shown (Duncan, 2008:388) causing the desired target market's reading, attention and learning to be slimmer. Advertisements placed on radio and television tend to be less than two minutes in length (Duncan, 2008:388).

A similar situation has been observed by the researcher in Namibia, and this short broadcast time means that the messages need to be clear and simple enough for listeners to grasp, yet intriguing enough to keep the listener's/viewer's attention.

a) Television

SMEs can use television to deliver messages (Duncan, 2008:396). This is because it reaches a large audience and can deliver messages that may have highly dramatic effects. Television has the ability to combine sound and moving visuals which makes it a dynamic medium in which to advertise (Duncan, 2008:400). However, it does have certain limitations (especially for smaller businesses), such as high production and broadcasting costs. Another constraint is trying to have the SMEs message heard between the clutter of other advertisements and between programmes.

b) Radio

Research has shown that radio is a background medium (Duncan, 2008:391) which means that people do other things while listening to radio broadcasts. Capturing the listeners' attention is difficult because they have the ability to tune into or tune out of a specific station, or only hear messages that grab their attention. Despite this, radio stations usually have loyal audiences who may listen to them throughout the day, increasing the chance that they may hear the marketer's message at some stage.

Radio advertising is often called the 'theatre of the mind' because it depends so much on the listeners' imagination to fill the missing visual element. Radio is limited to sound and depends on voices, sound effects and music to capture an audience (Duncan, 2008: 392). The fact that radio stations in Katutura and Khomasdal have a local broadcast area (whereas television is

usually national) and those listeners are usually loyal to one station means that SMEs may have to advertise on several stations to reach their desired target markets.

One of the weaknesses of radio as a medium of advertising is the fact that messages are fleeting (Duncan, 2008:396) and cannot be looked at again. Unfortunately, radio advertisers cannot show the product or demonstrate it (Belch and Belch, 2012:392) because no visuals can be used. Since there are more than ten radio stations in Katutura and Khomasdal, only a small percentage of the population may be tuned in to a particular station at any given time. Consequently, if SMEs want to reach a broader target audience, they will have to advertise on a number of stations. Radio advertisements may have limited listener attention because radio is often used as background entertainment by people who are doing other things.

The reach of the advertisement is not easy to determine because it is difficult to determine what percentage of brand messages are actually heard (Duncan, 2008:396). Radio has some creative limitations since the audience has to use their imagination about what is going on in the advertisement, which could lead to misunderstandings (Belch and Belch, 2012:392). Another weakness is clutter. SMEs must create commercials that break through the clutter or use heavy repetition to ensure that their messages are heard (Belch and Belch, 2012: 392).

An alternative to broadcast media is print media. Print messages are relatively permanent compared with fleeting broadcast messages (Duncan, 2008: 378).

3.5.3 Print Media

Print media mainly include newspapers and magazines, but also include directories, mail, brochures and packaging (Duncan, 2008: 378). Print media are all forms of message delivery that are printed on paper or some other material. Print media have the advantage that the message can be accessed at any time and may persist for many years in the form of accumulated copies. Print media tend to be visually intensive with the message being communicated as much by the pictorial elements as by the words (Duncan, 2008:378). Visuals that are easy to understand and remember communicate instantly. Newspapers, magazines and brochures will be discussed below to indicate their use in marketing communication.

a) Newspapers

Newspapers are considered a major medium for local advertising (Duncan, 2008:380). Most newspapers have their content divided up into clear topic sections, for example: sport, entertainment, business and finance, local, national and international news. Many special-interest sections rely heavily on press releases provided by public relations departments. Use of this tactic provides a great opportunity for SMEs to regularly include press releases into the SME development promotions sections of newspapers and obtain regular publicity.

One of the strengths of newspapers is that advertisements can be placed in different sections of the paper (where the SME thinks it may reach its target audience best). Newspaper advertisements can be examined at leisure by the audience, and a high degree of market coverage can be obtained (Belch and Belch, 2012:424) because of geographic selectivity. Newspapers reach a mass local audience (Duncan, 2008:382), so carefully selected audiences can be reached. Newspapers offer more geographic selectivity than any other medium except direct mail (Belch and Belch, 2012:428), enabling SMEs to concentrate their advertising on the areas in which most of their customers are.

Newspapers in Namibia such as the Namibian, Namibian Sun, New Era and Die Republikein are distributed daily, which means that regularity can be quickly built among those who regularly read the newspaper. Newspapers are extremely flexible because advertisements in it can be written, laid out and printed in a matter of hours (Belch and Belch, 2012: 428) and usually only need to be received 24 hours before the publication. This makes newspapers an excellent medium to respond to current events or to present timely information to customers. Another strength of newspaper advertising is reader involvement and acceptance. Many consumers actually purchase a newspaper because of the advertising it contains (Belch and Belch, 2012:429). The researcher has observed a similar pattern in Namibia during the pilot study. Consumers use retail advertisements to determine retail product prices, availability, and to see which SMEs or companies are having a sale.

One of the weaknesses of newspapers is that they are usually read only once. Newspapers are kept for less than one day, having a short life span – hence, newspaper advertisements are

unlikely to have an impact beyond the day of publication (Belch and Belch, 2012:429). The print quality of newspapers results in poor reproduction because of the coarse paper used and absence of colour (Belch and Belch, 2012:429). However, some of the newspapers, such as the Namibian Sun, use colour adverts. SMEs are not assured that every person who buys the newspaper will read their advertisement because some only read specific sections (such as finance). Also, newspaper circulation decreases on Saturdays and increases on Sundays. Advertising in the Sunday paper may be more effective because it is usually read thoroughly and for the whole day. Clutter is a problem in newspapers (Duncan, 2008: 383) in that brand messages not only compete with other advertisements for attention, but also with the editorial content.

b) Magazines

Magazines can be classified according to the frequency of publication (Duncan, 2008: 383) namely weekly, monthly, quarterly, or by the type of audience, such as consumers, businesses, trade or professionals. Magazines can also be classified according to the manner in which they are distributed. Paid-circulation publications sell subscriptions, whereas controlled-circulation publications are distributed free to those working in a given area or affiliated to a given organisation (Duncan, 2008:383).

Magazines are highly subject specific, making one of their greatest strengths their audience selectivity (Duncan, 2008:386). The vast majority of magazines focus on one area. This is a great advantage for clothing and textile manufacturing SMEs because they can advertise in clothing and textile manufacturing magazines and in so doing target the correct markets.

Belch and Belch (2012) state that magazines have many strengths, one of which is the fact that the paper used is of a good quality. Hence these messages look better than in newspapers. Magazines involve the use of colour and the reproduction quality is much higher than that of newspapers. Most magazines are subject specific and the vast majority of magazines focus on one area, for example clothing and textile manufacturing. Additionally, fashion sections appear in *Drum*, *Rooi Rose*, *Elle* and *Vogue*. Subject-specific magazines are often seen as being authorities on their respective subject areas as are the companies which advertise in magazines. Magazines have strong reader involvement because the reader has specifically selected that

magazine and will be prepared to spend some time reading it. They are kept much longer than newspapers and are frequently read more than once. Sometimes they are even kept as a collection. Magazines are flexible and willing to accommodate the advertiser's needs (Wells *et al.*, 2003:486) especially when creativity is needed. Samples may be put in magazines, or postcards could be used to facilitate direct marketing.

Some magazines offer a variety of special options that can enhance the creative appeal of the advertisement and increase attention and readership. Possible options that could be considered to make a magazine advertisement more creative and noticeable are gatefolds, bleed pages, inserts or creative space buys. When using gatefolds, a part of the page folds out and gives the advert an extra-large spread. This technique can be used effectively to make a strong impression. Bleed pages are adverts which spread all the way to the end of the page with no margin or white space. This gives the advertisement the impression of being larger and more dramatic (Belch and Belch, 2012:409). Inserts can be in the form of return cards, coupons or product samples (Belch and Belch, 2012:409). Creative-space buys allow for split runs; this is a process in which SMEs places advertisements on consecutive pages for greater impact. These types of advertisements often ask questions or show benefits or different uses of the product (Belch and Belch, 2012: 410–411) and aim to intrigue the readers until they page to the last page, which tells them the brand name. Another strength of magazines is their permanence; magazines are generally read over several days and kept as a reference (Belch and Belch, 2012:410). Consumers are also thought to be more receptive to magazine advertising since magazines are generally purchased because they contain information that interests the customers (Belch and Belch, 2012: 411).

c) Brochures

According to Pender (1999:256), if direct marketing methods are used, brochures need only be aimed at direct users. This allows brochures to be creative and of any size, unlike the limited space available on the SMEs' rack. The image portrayed by the brochure is clearly important and an image therefore needs to be created to attract potential customers (Pender, 1999: 256).

Brochures need to be clear, persuasive and informative with appropriate use of text and photographs (Pender, 1999:257) and therefore need to be well-designed and produced. Not everyone reads magazines or newspapers and may have to be informed about products and

services provided by SMEs operating from incubation centres. A viable option would be display media, because passers-by cannot help but notice them.

3.5.4 Display Media

Display media (also known as out-of-home or outdoor media) are communication vehicles that the target audience sees or uses away from home (Duncan, 2008:401). Billboards and transit posters are two of the most common categories. Outdoor advertising, however, encompasses a wide variety of other modes. Shimp (2010:372) mentions a few, namely advertising on bus shelters, giant inflatables, various forms of transit advertising (advertisements painted on buses or trucks or walls of buildings) and shopping mall displays – the possibilities are endless.

1) Billboards

Advertising on billboards is designed with name recognition as the primary objective. The major forms of billboard advertising used by SMEs are poster panels and painted bulletins (Shimp, 2010:373) assembled on the billboard structure. Usually there is little or no writing, but large pictures to attract attention. Both types of billboards will now be briefly discussed.

- *Poster panels.* Such billboards are regularly seen along highways and in heavily travelled locations, such as at bus stops or near to shopping centres and incubation centres. Posters are silk-screened and then brought and pasted in sheets onto the billboard. Companies typically sell billboard space on a monthly basis.
- *Painted bulletins.* Advertisements are hand-painted directly onto the billboard by artists hired by the billboard owner. These bulletins are repainted every few months. Advertisers purchase such bulletins for a one- to three-year period, the objective being to achieve a consistent and relatively permanent presence in heavily travelled locations.

2) Transit advertising

Transit advertising (inside or outside the vehicles) is another form of outdoor media. The vehicles usually have stickers with the SME name and logo and sometimes a contact telephone number on the outside of the vehicle.

In the case of display media, location is everything and high-traffic areas are ideal. The image of outdoor media is improving as a cost-effective high-reach medium. Outdoor advertising has evolved to the extent that it can be almost as useful as some traditional forms of advertising like newspaper, radio and TV (Gurumoorthy, 2015:94). Outdoor advertising is of major importance in Katutura and Khomasdal because a great deal of the population does not have access to all other media.

The strength of out-of-home media is that people are exposed to outdoor advertising whether they like it or not. The audience sees the advertising message a number of times, so the regularity of the message is increased (Duncan, 2008:403). Display media are geographically flexible since outdoor advertisements may be placed along highways, near stores, on mobile billboards or anywhere else that laws permit (Belch and Belch, 2012: 444) The same obviously applies to an incubation centre. This also facilitates wide coverage of the local market, because broad exposure is possible in local markets with a day and night presence (Belch and Belch, 2012: 444).

One of the weaknesses of outdoor advertising is that it is a glance medium – at best it draws two to three seconds of a reader's time – hence the need for such messages to be concise and creatively appealing. It should contain few words, large illustrations, bold colours and simple backgrounds for the most effective messages, which may be challenging to accomplish. Display media have limited message capabilities because most of the time the audience is in motion. This is called passing exposure (Belch and Belch, 2012: 450).

Belch and Belch (2012:451) mention that because messages are limited to a few words or an illustration, exposure time is short because of the speed at which people drive past billboards. Another weakness is that advertisements must fight for attention with all the other visual stimuli that surround them, such as beautiful scenery and large buildings. Also, outdoor media may suffer 'wear out' when passers-by deliberately ignore the boards because they have seen it many times before.

3.5.5 Interactive Media

According to Belch and Belch (2012:22), interactive media allow for a back-and-forth flow of information whereby users can participate in and modify the content they receive. This enables customers to make enquiries, ask questions and make purchases. Also known as two-way media, interactive media allow both companies and customers to send and receive messages (Duncan, 2008: 377) and also permit an instant exchange of information.

Communication tactics are available to maintain and manage ongoing marketing communication activities and relationships (Andersen, 2001: 77). Developments in information technology have made new communication options available, including the Internet and email. Each communication option will be discussed below.

3.5.5.1 Electronic media.

The business environment of electronic media is changing rapidly. Media enterprises are coping with challenges presented by society, technology and the changing use of the medium itself (Aalto, Kivela, Kuula, Liinasuo, Lindqvist, Lugmavr, Moho, Norros, Seisto & Zheng, 2012).

The two most commonly used media facilitated by the internet are email and websites (Belch and Belch, 2012: 492) both of which are discussed below.

(a) Internet

According to Belch and Belch (2012: 490), the internet is a means of exchanging information and communication through a series of interconnected computers. While the internet is a promotional medium because advertisements can be placed and promotion incentives can be offered, it can also be viewed as a marketing communication method (Belch and Belch, 2012: 22). The internet facilitates an interactive multimedia communication network, thus radically altering the way in which firms can do business with customers and suppliers, as opposed to traditional one-to-many communication methods.

The versatility and capability of the internet technology was found to be an ideal platform for SMEs to participate in the global market. The literature suggests that the use of the internet particularly suites the type and the nature of SME businesses (Lawrence, 2010:46). Because of its interactive nature, it is an effective way of communicating with customers.

Wan (2002:57), mentioned that the internet can be used in two distinct, but not mutually exclusive ways: Firstly, as a source of data by which the user accesses resources purely to get information, and secondly, as a means of marketing and facilitating business transactions.

(b) Email

According to Venugopal, Das and Murthy (2012:101), another feature which makes the internet so useful for marketing communication for SMEs is electronic mail (email). Email is a communication ring where messages can flow between individual members directly or to any number of members worldwide. Email is one of the earliest standard internet protocols allowing people with different computers and operating systems to communicate with one another. One-to-one or one-to-many mailings are possible through email. Venugopal *et al.*, (2012: 102) further argue that email marketing is a perfect medium to pick up where other marketing communications leave off.

Email is able to reach one or many persons and therefore has great potential as a marketing tool for SMEs operating from incubation centres, as email marketing has been regarded as one of the most effective methods of communication SMEs can use to target specific customers, such as tourists. It is possible to use email marketing to educate sales prospects and inform them that the SME and the product exist. Email marketing is still one of the most cost effective ways to contact prospects and customers. It is far cheaper than traditional bulk postage mail and in many cases can have much larger impact on immediate sales and long-term relationships strength than traditional advertising (Venugopal *et al.*, 2012:102).

As a marketing tool, email is one of the most cost-effective ways to maintain an ongoing dialogue with the target audience. Email marketing can be done using a variety of techniques (Duncan, 2008:428), namely advertisements, discussion lists, newsletters, publicity, and viral marketing.

- *Advertisements.* An email advertisement can be sent directly to targeted clients instead of using mass media (such as broadcast or print media), thus making the message tightly targeted to specific clients.

- *Discussion lists.* Hundreds to thousands of people can be included in a discussion list. Every time someone sends an email, advertising messages are added to the bottom of each message sent out by persons on the list. It is therefore possible to spread the message to many people at a low cost.
- *Newsletters.* Marketers are able to send mass emailings set up as newsletters on product related topics. Newsletters are useful because they keep people informed and keep the SMEs name top-of-mind. Newsletters also have the potential to generate a sale on a monthly (or weekly) basis (Venu and Santosh, 2012). Intermarket Group found that around 65% of marketers said that they planned to increase their use of email newsletters. Fifty-nine per cent of marketers identified direct sales as an important objective for their email marketing efforts, while 56% mentioned customer relations (Venu and Santosh, 2012).
- *Viral marketing.* Another clever, effortless and cost-effective email technique is viral marketing. This is word-of-mouth through email and can be used to refer products and services to friends and colleagues. Everything from free email accounts to virtual gift baskets has a way of spreading the word about a company, because the customers are doing the spreading (Woerndl., Papagiannidis., Bourlakis, and Li., 2008:35). Viral marketing (or network marketing) works on the premise that if people are interested in a product, they will be more likely to recommend it to friends and associates. The underlying principle of viral communication, however, remains the ‘traditional’ word-of-mouth paradigm that is now facilitated by the Internet. (Woelrndl *et al.*, 2008:34-35).

The message is spread by contact in the following manner: If one person recommends the product to a few friends and they, in turn, each recommends the product to some of their friends and acquaintances, soon thousands of people will know about the SME and the product on offer. This spread by ‘word-of-mouth’ has huge advantages because someone else carries the costs and efforts. SMEs are able to add a paragraph on the end of their emails which encourages customers to recommend them to a colleague or friend.

(c) Websites

A website can be described as the company's electronic face to the world. It consists of a number of information pages linked together to form one site, but is in the midst of a multitude of other websites found on the internet.

According to Wan (2002:159), marketing communication websites are primarily designed for introducing and advertising a company's products and services. A corporate website is capable of communicating all elements of the marketing mix. The availability of universal and low cost access to the internet and the world wide web and non-propriety technology was widely seen as providing the basis for development of major global business opportunity and enabling the widespread use and implementation of cost-effective commerce for SMEs (Lawrence, 2010: 47). For these communications to become truly effective, the company must not simply create an on-line catalogue of products and corporate information, but rather provide content-laden channels of communication through which site visitors may interact. Business websites should therefore contain varied and timely information to attract as many users and potential customers as possible.

Websites have been used effectively to enhance and support the selling effort. Visitors to websites can gain volumes of information about products and services (Belch and Belch, 2012: 508–509). Not only can potential customers learn about the SME's offerings, but the selling organisation can serve and qualify prospects more cost-effectively. The web can also be used to stimulate trial. In so doing, customers can determine if the offering satisfies their needs and if so, request a personal sales call.

3.5.6 Social Media

Social media is a part of online marketing communication and can be described as the act of creating and posting substance in an online, mobile or virtual environment (Agresta and Bough, 2010:2). These authors argue that the key message of social media is that information is shared with people in your inner circle who are identified as your friends or followers. According to Selg (2010:8), social media combine technology, social interaction and user-generated content

and therefore fit the concept of Web 2.0. The main result of social media is to connect, interact and share information with others online. Organisations and companies should see it as beneficial to their personal gain and profit. The same benefits can be derived by SMEs. Almost every big company uses social media today as a natural way of communicating with their consumers. SMEs, on the other hand, don't use it as frequently or not at all (Johansson and Corvera, 2012:9). Some of the social media platforms are discussed below.

3.5.6.1 Twitter

Twitter is a 'micro blog' where someone can send and read short text messages with maximum 140 characters (Findahl, 2011:20). Burns-Whittemore (2012) mentions that in the company's twitter stream there is a balanced amount of social to promotional information, and it's also very sociable. It involves asking for opinions and engaging people in conversation. Using social media and especially Twitter for marketing purposes is only a recent phenomenon as it is mainly since 2008 that social network sites exploded in user numbers and marketing applications. Therefore, there is a limited academic research into this area (Jansen, Zhang, Sobel & Chowdury, 2009; Zhao and Rossen, 2009).

3.5.6.2 Facebook

According to Findahl (2011:19), Facebook is a social network where information is obtained from friends or where one makes own status updates. According to the advertising section of the Facebook site, any advertiser can reach their targeted audience. Through users' personal Facebook profiles, advertisers can gather detailed information on age, gender, education and interests of prospective consumers (Boggs, 2011:19–20).

3.5.6.3 Blogs

According to Frankel (2005:13), weblogs or 'blogs' is a world-wide phenomena that engages millions of people. Explained in a simple way, a blog is a simple homepage, like a diary, where the author can post texts, pictures and videos. As the blog is connected to all search engines, the posts can reach many readers, can frequently be updated and contains links which leads to it being on top of the search results on Google, where almost half of all the searches are made on a search engine (Frankel, 2005:28). Since the introduction of blogs, brands have tried to reach out

to bloggers to promote their products, hoping to gain competitive advantages over their competitors. Frankel (2005:34) says that there are companies that offer bloggers free products or money, and in return asks them to write about their product and show them in their blog. Wright (2006:3) claims that blogs can help smaller companies to grow an audience which can be a good way to be noticed.

3.5.6.4 YouTube

YouTube is often seen as the most dominant tool amongst the others and is successfully used by for instance the brand Calvin Klein to project their image and promote their campaigns (Burns-Whittemore, 2012). However, according to Wright (2010), YouTube is an outlet where many companies are missing the mark because they are only using it for one purpose and are not connecting it to the many other market objectives. Companies have to understand that YouTube is built around the concept of engagement and that members on YouTube are very vocal about what they like or don't like (Wright, 2010).

3.6 SALES PROMOTION

Sales promotion is based on the premise that each product or service has an established price and value. It changes the accepted price-value relationships by increasing the value, lowering the price, or both (Burnett and Moriarty, 2012). Thus sales promotions offer consumers an immediate inducement to buy a product by the simple step of making the product more valuable. The difference between advertising and sales promotion is that whereas advertising offers a reason to buy, sales promotions offer a reason to buy it now (Kotler and Keller, 2015: 469).

Sales promotion is a marketing communication tool that encourages action by adding tangible value to a product offering (Duncan, 2008: 569). Sales promotions are used to provide strong incentives to purchase and are often used to boost sales. It varies between being extremely subtle and extremely dramatic, depending on the specific promotional method chosen.

Sales promotion consists of various promotional methods which can be used to target buyers, respond to special occasions and create an incentive for purchase (Cravens, 2009:355). It

stimulates sales by offering an extra short-term incentive to act or justify action (Wells *et al.*, 2003:312). Sales promotions strategies can be classified as having push or pull strategies (Wells *et al.*, 2003:317). Pull strategies direct most marketing efforts at the consumer and are usually implemented with large advertising expenditures. This may include additional incentives through the use of coupons, rebates, samples or sweepstakes. These efforts create consumer demand to pull the product through the channel of distribution. Push strategies direct most marketing efforts at resellers and the sales force. The business pushes the products through the channels of distribution by asking resellers to demonstrate products, to distribute in-store promotion devices and merchandising materials and to sell the product.

However, if the product is relatively new or complex, or if many substitutes exist, a push strategy may be more appropriate (Wells *et al.*, 2003:318).

Koekemoer (2011:289–290) reveals that sales promotions could affect business sales in the following manner:

- **Revitalise sales of a mature product:** sales promotion can invigorate the sales of a mature product that requires rejuvenation.
- **Retain existing clients by endorsing repeat purchases:** effective sales promotion programmes could encourage repeat purchasing and retention of clients.

Longenecker, Moore and Petty (2013: 344) further reveal that small business owners wishing to implement sales promotions could use three types of tools. The *first tool* is to provide specialty items to the client, for example calendars and coffee mugs. Publicity is the *second tool* and refers to presenting information about the business and its products or services as a news item.

Trade shows and exhibits can be used as the *third tool* and permit demonstrations of an offering. According to Kotler and Keller (2015:470–473), consumer sales promotions can be put into force e.g. by samples, coupons, price packs and advertising specialties. Furthermore, manufacturers direct their sales promotion towards retailers and wholesalers instead of consumers, and it is accomplished by discounts and allowances. Giving free or sample goods for resellers is also an effective sales promotion tool. When directing the sales promotion towards

industrial customers in order to stimulate purchases and to motivate salespeople, the focus must be on conventions and trade shows.

3.6.1 Trade promotions

Trade promotions can be targeted at resellers and sales force agents (called trade promotions) considered using a push strategy. When aimed at consumers, (referred to as consumer promotion), it is regarded as a pull strategy.

Consumer promotion

Markets are able to use trade promotion techniques to encourage sales or stimulate demand. Sales promotion should be used on a short-term ad hoc basis rather than continuously. It should be used at irregular intervals, particularly if the market is seasonal. The reason for this is that over-use of sales promotions can lead to consumer expectations of additional benefits offered as the norm. A vast array of techniques can be used (Pender, 1999). Each technique will be briefly discussed below.

Discounts

A discount is an advertised reduction of the selling price (George, 2011:241). Discounts are not a good way of obtaining a competitive advantage but may sometimes be a necessary tactic. According to Bowen, Morara and Mureithi (2009:22), SMEs give discounts to regular customers to maintain competitive advantage. Price deals can also be used by SMEs, as this saves customers money when purchasing products. Price deals may be used to encourage trial of a new product, but are effective only if price is an important factor and if consumers are not brand loyal.

Sampling

Sampling essentially involves giving away free samples of items to encourage sales. This involves offering trial amounts of the product, such as a soon-to-be-introduced style of a free T-shirt at a clothing and textile manufacturing SME. Shimp (2010:558) mentions that sampling is the premier sales promotion device for generating trial usage, the reason being that once potential clients have tried the product and are satisfied with it, the customers will be less

reluctant to try it again. The product must basically sell itself on the strength of its uniqueness and ability to create a strong positive impact with minimal trial experience (Belch and Belch, 2012). Marketing communication strategies for service product channels attempt to stress the tangible elements of each channel and prospective clients are therefore often allowed to sample products, which in the case of clothing and textile SMEs may include an introduction to new designs and designers at the SME.

Coupons

Coupons provide discount on the usual price, thus offer savings when purchases are made. Coupons (or vouchers) are certificates that give consumers savings when they buy specific offerings (George, 2001:242). Coupons can be distributed through a number of media, namely newspapers and other print media, door-to-door distribution or added to promotional packs.

Promotional gifts

Promotional gifts are a medium of advertising, sales promotion and motivational communication employing imprinted, useful or decorative products called advertising specialties (Belch and Belch, 2012:452). These articles are always distributed free. Promotional gifts are an excellent method for marketing the SMEs because they act as lasting reminders of the SME and the services and products provided. SMEs imprint their names on items they give away so that the name of the SME is noticed often enough to build ‘top-of-mind’ awareness.

Point-of-purchase materials

Point-of-purchase materials, also known as POP displays (Wells *et al.*, 2013), are used to promote products and services in or close to retail outlets. They have persuasive value.

3.7 PERSONAL COMMUNICATION

Personal communication channels involve two or more persons communicating directly with each other (Kotler and Keller, 2015:560). This may be face to face, person to audience, over the telephone or via email. There are many alternatives which will be discussed in the sections to follow. The strength of personal communication lies in the fact that it creates opportunities for tailoring the message to the person to whom it is being delivered, and also that immediate

feedback can be received. This discussion begins with direct marketing, followed by interactive media and personal selling.

3.7.1 Direct marketing

Direct marketing is a marketing communication tool that uses one or more advertising media to obtain a measurable response and /or transaction at any location (Burnett and Moriarty, 2012: 378). Using direct marketing, organisations communicate directly with target customers to generate a response (Belch and Belch, 2012:20). Direct marketing uses a set of direct-response media (Belch and Belch, 2012:20; 473) or addressable media, such as direct mail, direct selling, email and internet. These media are the tools that direct marketers use to implement the communication process. Direct-response media carry messages to identified customers or prospects and can be used to send messages to specific geographic and electronic addresses.

Direct marketing communicates directly with customers through targeted media rather than through mass media (Burnett and Moriarty, 1998: 381). According to Cravens (2009:355), direct marketing techniques essentially involve marketing the product directly to the consumer without the involvement of a middleman or intermediary. This allows the marketer to gain direct access to the customer.

The three main goals of direct marketing are for the recipient to open messages, read them and place an order (Nichols, 2002). To ensure that the messages are opened in the first place, it is necessary to develop a database with the names and addresses of relevant potential clients. Consequently, before marketers decide on certain tools to implement their marketing communication method, they need to establish a database.

3.7.1.1 Database marketing

Database marketing is the use of specific information on individual customers or prospects to implement more effective marketing communications (Belch and Belch, 2012:474). The main reason for establishing a database is to develop communication and ultimately relationships with customers (Belch and Belch, 2012: 272).

In essence, database marketing involves the collection, accumulation and analysis of data on customer behaviour and characteristics (Weaver and Oppermann, 2011: 238) for the purpose of contacting customers and transacting business. Once the information has been analysed, database marketing can be used to facilitate the retention of existing customers, engage in further product promotion and recruit a new customer base more effectively.

3.7.1.2 Direct selling

Direct selling is the direct presentation, demonstration and sale of products and services to consumers in their homes or offices (Belch and Belch, 2012:483). In the case of clothing and textile manufacturing SMEs, they can introduce themselves and discuss their product offerings with customers and owners of establishments.

3.7.2 Personal selling

Personal selling is a marketing communication tool used to increase sales directly through personal contact (Belch and Belch, 2012). Personal selling allows face-to-face presentation of a product or an idea to a potential customer by a representative of the SME. This one-on-one communication allows immediate feedback, and adjustments to the message can be made immediately. Personal selling is a form of person-to-person communication in which the seller attempts to persuade prospective buyers to purchase his or her SME's product or service (Shimp, 2010:652). Personal selling allows a dialogue to take place in which the consumer can ask questions and the sales representative can react to the particular situation. One of the main advantages of personal selling is two-way communication because it allows for greater flexibility in the design of messages and enables salespeople to tailor the message to their customers (Shimp, 2010: 268). Negotiation with prospective customers is also possible.

In almost all instances, personal selling is more effective than other types of promotion (Belch and Belch, 2012) because most purchase decisions are based to varying extents on information and persuasion. There is not enough time or space in an advertisement to attempt to supply all answers to target customer's potential questions. The main problem with personal selling is that it is not as effective at reaching large numbers of decision makers as mass media, because the sales force can only visit a certain number of clients (present and potential) every month. This may be

the challenge to Namibian SMEs operating from the Katutura and Khomasdal Incubation Centres, as they employ very few sales people.

In selling, the main task is to build relations, as opposed to advertising, where the main task is to create a message (Belch and Belch, 2012). Personal selling has been evolving from a focus on persuasive techniques used to sell a product or service to a far more marketing-oriented partnership with the customer (Belch and Belch, 2012:26). The new role requires much broader thinking and expertise on the part of the seller and more extensive use of promotional tools. The modern salesperson is attempting to establish a long-term, symbiotic relationship with clients, working with them as a solutions provider.

Personal selling involves the seller having certain key skills to make a sale (Shimp, 2010: 637), that is, selling skills (knowing how to make a sales presentation), interpersonal skills (how to cope with and resolve conflict) and technical skills (knowledge of the product's features, performance and benefits). However, probably the main skill a personal seller requires is the knowledge on how to close a sale. This involves identifying the appropriate time to ask the customer for an order.

Personal selling can be initiated in the following ways:

- *Direct marketing.* Many SMEs send out lead cards to screen prospective customers (Belch and Belch, 2012:470). The salesperson follows up on those who express a genuine interest, saving valuable time and increasing the potential for a sale.
- *Advertising.* Advertising and personal selling complement each other (Belch and Belch, 2012). Advertising can reach large audiences simultaneously with a vivid message and needs to be very general, whereas personal selling targets each individual and his/her specific needs. Advertising can provide sales leads when introducing a new product or promoting an existing one. Advertising is needed to create awareness and provide basic information, whereas personal selling is necessary to complete the exchange process.
- *Sales promotions.* Salespeople often deliver sales promotion materials to trade members during sales presentations. This makes the sales process more successful than other marketing communication methods. The salesperson knows that the customer has been

‘presold’. This method is effective in competitive situations where products are similar and the salesperson needs something extra to create a competitive advantage.

3.8 WORD-OF-MOUTH

Word-of-mouth is any apparently informal communication about the product by ordinary individuals, satisfied customers or people specifically engaged to create word-of-mouth momentum. Sales staff often play an important role in word-of-mouth and public relations (Koichi, 2009).

Evans., Jamal and Foxall (2006:27) indicate that word-of-mouth is a cost effective advertising tool which is suited for small businesses. As the Katutura and Khomasdal residential area is densely populated, positive information about a business may easily be communicated amongst people by word-of-mouth. This communication may be an excellent form of advertising and can be a more effective than formal advertising.

There are occasions when people ask others for referrals (Kotler and Keller, 2015:560). If one has confidence in the person giving the referral one will probably act upon it. In so doing, the recommender has benefited both the SME and the customer. It is therefore apparent that word-of-mouth can be an extremely useful means of marketing communication, because it is free and credible. Two main benefits of developing word-of-mouth for SMEs are that such sources are convincing and have low costs (Kotler and Keller, 2015:560). Word-of-mouth is convincing because it is ‘of consumers, by consumers, for consumers’. Loyal and satisfied customers are not only repeat buyers, but also talking advertisers for the SME.

In the SME sector, a good way of building word-of-mouth is not only providing good service, but also ensuring that customers are satisfied at all times. If the customers are happy, they will tell others about the wonderful experience and hopefully the people they tell will try the service or product the next time. In terms of SMEs, a useful method to receive word-of-mouth on paper is to ask clients for their birthdates and to sign a guest book. This can be used as a means of collecting testimonials which potential clients can read and to wish them happy birthday on their birthdays and inform them on about new products currently on offer. Such testimonials could be

added to the website or the SME brochure (Duncan, 2008: 66).

One of the strengths of word-of-mouth is that this type of advertising not only costs the SME nothing, but also normally has high credibility because people who listen to other customers know that they are sharing their own experiences and will not benefit personally if the listener decides to buy the product (Duncan, 2008: 66).

If the SME does not deliver a service up to the customer's expectations, or if the customer's perception of service delivery is distorted, word-of-mouth can be extremely harmful to the SME. Great costs may be incurred in repairing the SMEs name to reverse the negative impact that dissatisfied customers can have through negative word-of-mouth (Duncan, 2008: 244).

3.9 NON-PERSONAL MARKETING COMMUNICATION

Duncan (2008:376) writes that non-personal channels of communication carry a message without interpersonal contact between sender and receiver. Non-personal channels are generally referred to as mass media because they are communication channels through which messages may be sent to the 'masses', that is, large diverse audiences.

3.9.1 Advertising

Advertising can be defined as any non-personal form of mass communication about a product or service which is paid for by an organisation or an identified sponsor (Du Plessis *et al.*, 2009). Russell and Lane, (2006:26) agree with this and mention that advertising is usually delivered through a form of mass communication. The key differentiating elements that thus define advertising are that it is a paid-for message, and the message is controlled by the advertiser. Advertising is any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor (Cohen, 2008:5).

Advertising is a business activity, using creative techniques to design persuasive communications in mass media that promote ideas, goods, and services in a manner consistent with the achievement of the advertiser's objectives, the delivery of consumer satisfaction, and

the development of social and economic welfare (Cohen, 2008:5), while Dirksen, Kroeger and Nicosia (2006:5) define advertising as any form of announcement that will be paid for by an identified sponsor, which has been sent through one or more forms of mass media, and is directed to a specific group of individuals or organisations. Russell and Lane (2006:26) also describe advertising as a sales tool to bring buyers and sellers together for the exchange of goods and services.

To determine an advertising mix, broadcast media, print media, electronic media or display media could be considered as in figure 3.1.

Figure 3.1: Advertising

ADVERTISING			
Broadcast Media <ul style="list-style-type: none"> • Television • Radio 	Print Media <ul style="list-style-type: none"> • Newspapers • Magazines • Brochures 	Display Media <ul style="list-style-type: none"> • Billboards • Transit Media 	Electronic Media <ul style="list-style-type: none"> • Online Advertising

Source: adapted from Duncan, (2008: 388–433).

According to Duncan (2008:433), online advertising was growing faster than any other type of advertising, and placement costs for online advertising are much lower than for traditional media. Advertisements placed on websites (at the top, bottom or side of the screen page) are called banners (Duncan, 2008: 434). The adverts are usually configured so that users can click on the advert and be taken to that advertiser's website. To attract attention, banners may employ animation or sounds, or both.

The strengths of online advertising include interactivity with consumers which allow SMEs and customers to engage in dialogue. Advertisements can be changed quickly, thus allowing for flexibility. Customers who visit a website are already interested in the topic, product category or brand. This makes precise targeting possible (Duncan, 2008:433) as well as significant creativity.

One shortcoming is that because advertising has increased on the world wide web, users have learned to ignore it (Duncan, 2008:433). It is difficult to find the right balance between attraction

and irritation.

3.10 TRADE SHOWS

Neven and Kanitz (2011:243) indicate that trade shows allow SMEs to network among industry players and gain marketing ideas as well as sell and promote product offerings. A trade show is a temporary forum (typically lasting several days) for sellers of a product category (in this case clothing and textile manufacturing SMEs) to exhibit and demonstrate their wares to present and prospective buyers (Shimp, 2010:549). Trade shows allow exhibitors to accomplish both selling and non-selling functions.

Trade fairs, trade shows, exhibitions and expositions are used interchangeably in the literature (Kirchgeorg, 2005), and for the purpose of this dissertation, the terms are used interchangeably. According to Neven and Kanitz (2011: 9), a trade fair can no longer simply be regarded only as an effective means of distribution; on the contrary, it affects all elements of the marketing communication, for the trade fair has changed from being simply a place to buy – it is now increasingly a source of information and communication.

Marketing communication at trade fairs means rationalisation, because trade fairs can be used for a variety of different functions. Hardly any other marketing method is capable of combining the detailed presentation of the company and its products with personal customer contact. Trade fairs are also the source of a multitude of sales leads, which are an essential component of any SME's sales policy. This is where market procedures, type and scope of changes as well as direction and speed of future developments really come to light. Trade fairs are a unique medium with unique possibilities and SMEs can make use of the opportunity to showcase their products (Neven and Kanitz, 2011: 11).

3.10.1 Trade fairs

The effects of participation in a trade fair within the scope of the company's overall plan for marketing policy must also be taken into consideration. Participation in trade fairs results in positive cooperative effects for an SME (see 1.2.8). Trade fairs are especially essential for SMEs

that can use them as a route for new market areas (Evers and Knight, 2008). Participation in a trade fair can above all lead to SME success when there is a conscious effort to coordinate it with other elements of marketing communication methods (Neven and Kanitz, 2011).

Trade fairs are often classified according to catchment area and also according to concept or orientation.

- ***Trade shows*** are market events of a specific duration held at intervals, at which a large number of firms, including SMEs, with a predominant appeal to trade visitors present the main product range of one or more sectors of an industry and mainly sell to commercial buyers on the basis of samples.
- ***Exhibitions*** are market events of a specific duration at which a large number of firms, including SMEs, with a predominant appeal to the general public present a representative product range of one or more sectors of industry and sell it or provide information about this product range for the purposes of sales promotion.
- ***National trade fairs*** and exhibitions register visitors who come from a catchment area that extends well beyond the respective region. SMEs can make use of this data to advertise their products by applying direct communication with future or prospective customers.
- ***Regional trade fairs and exhibitions*** attract visitors mainly from that area. Up to 2009, this category included special events too and was called regional/special (Neven and Kanitz, 2011:24).

Trade fairs are a platform for cooperation initiatives; trade shows are meeting places and distribution centres for exchanging products, ideas and know-how. A whole range of marketing aims can be realised at a trade fair. In just a few days, the chances of market success of different products and services can be put to the test. Market procedures as well as changes in direction and speed of future developments will become apparent (Neven and Kanitz, 2011:7).

3.11 PUBLICITY AND PUBLIC RELATIONS

According to Vesili and Ramandani (2012), publicity is a non-paid form of promotion, which is usually practiced through providing news, comments, stories from and interviews with various journalists with or without company consent. Publicity can play a positive role, because it is not paid for by the company and the customer receives accurate information. However, publicity can be also negative, if the presented news or stories are negative for the company or its products.

The term ‘public’ represents any group that has an impact directly or indirectly, actual or potential, in realising the goals and objectives of the enterprise (people, media, institutions, government, etc.). Public relations are programmes such as press conferences, news alerts, lobbying, and publication of annual reports used to create good relations with the public and promote and protect the image of the enterprise (Vesili and Ramandani, 2012).

According to Novak (2011), public relations is part of the promotional mix that involves communication between the firm and its public constituencies other than paid mass media advertising and direct promotion (mail and email). Public relations activities seek to promote ‘word-of-mouth’ and increase media mentions of the SME and its product.

3.11.1 Public relations

In the term ‘public relations’ (as already suggested), ‘public’ means all the audiences that the marketing communicator targets to receive messages about the SME or who are perceived as influencing options about the SME (Wells *et al.*, 2003:344). The term ‘relations’ signals that the public are involved in a relationship with the SMEs.

Public relations (PR) is a management function which enables SMEs to achieve effective relationships with various publics in order to manage the image and reputation of the SME (Wells *et al.*, 2003:539). Public relations is a popular marketing tool with SMEs because of the credibility of the message. A favourable article by a newspaper will be regarded as being reliable and more credible than advertising. One advantage of PR is that there are limited advertising costs involved. However, publicity is not free (Jim, 2003:119). Publicity usually

involves sponsoring an event or conducting a press conference, which costs the SME money, but being mentioned in the newspaper the next day is free. Effective PR requires commitment to the SME and resources for a planned and focused programme.

The costs of public relations activities often appear less than for other types of promotions. This is because articles may appear in newspapers and magazines in which it is usually costly to place advertisements. In addition, such articles tend to have higher credibility because of the lack of an obvious commercial sponsor. This enables public relations to be an effective means of marketing communication.

3.12 SUMMARY

Media and media selection with communication models have been discussed, as well as various media such as print media, broadcast media, display media, interactive media and electronic media. Additionally, social media platforms were covered. Personal marketing communication and non-personal communication methods were briefly covered; the chapter also highlighted marketing communication methods that are regarded as being successful in SME development, while social media was also covered in this chapter. Marketing communication methods such as advertising, sales promotions and public relations were discussed, while trade fairs as part of the communication mix and word-of-mouth were separately discussed.

In chapter four, the research methodology of the study will be discussed.

CHAPTER 4

RESEARCH METHODOLOGY

4.1 INTRODUCTION

In Chapter three, a literature review on marketing communication methods used by SMEs was presented.

In this chapter, the different research methods and the preferred method chosen for this study will be discussed. The research instrument, which is a questionnaire, will be discussed. The questionnaire design and question types used (including closed-ended and open-ended questions) in this study are explained. The chapter will conclude with a discussion on the pilot study to refine the research instrument.

4.2 RESEARCH PROBLEM, PROCESS AND DESIGN

The research questions identified in chapter one are as follows:

1. What are the marketing communication methods used by Namibian SMEs?
2. Which marketing communication methods are regarded as being the most effective for the SME?
3. How did the selected marketing communication method contribute to the SME's success?

4.2.1 Research Problem and Objectives

According to Hair, Bush and Ortinau (2006:662), research objectives are statements that the research project will attempt to achieve. It provides the guidelines on establishing a research agenda of activities necessary to implement the research process. Hair *et al.*, (2006:36) state that research objectives should follow from the definition of the research problem; if the objectives are achieved, the researcher will have the information he/she needs to solve the problem. For the purpose of this research study, primary and secondary research objectives can be established. The secondary objectives are obtained from the primary objectives.

The primary objective of this research study is to determine marketing communication methods used by Namibian SMEs in clothing and textile manufacturing businesses operating from the Katutura and Khomasdal Incubation Centres. The secondary objectives are:

1. Develop insight into the preferred marketing communication methods used by the Namibian SMEs operating in the Katutura and Khomasdal Incubation Centres.
2. Explore the reason for selecting and using those specific marketing communication methods.

4.2.2 Research design

According to Saunders *et al.*, (2009:136), a research design is the plan or the blueprint to be used for realising objectives and answering research questions. It is the structure or framework within which a specific problem is solved (McDaniel and Gates, 2009:28). A time schedule has to be set, detailing each step to be followed in the research process. Selecting a design may be complicated by the availability of a large variety of methods, techniques, procedures and sampling plans. Determining the most appropriate research design is a function of the research objectives and the specific information requirements (Hair *et al.*, 2006:36). Most research objectives can be achieved by using one of three types of research designs, namely exploratory, descriptive or causal research design (Hair *et al.*, 2006: 37).

4.2.2.1 Exploratory research designs

According to Saunders *et al.*, (2009:139–140), exploratory research is ‘conducted to gain insight into a situation, phenomenon, community or individual. ‘It is particularly useful if the researcher wishes to clarify his/her understanding of a problem, such as if he/she is unsure of the precise nature of the problem the exploratory study the research has a basic research goal and researchers frequently use qualitative data’ (Saunders *et al.*, 2009:140). Examples of exploratory research are focus group interviews, experience surveys and pilot studies.

4.2.2.2 Causal research design

According to Hair *et al.*, (2006:38), causal research is designed to collect raw data and create data structures and information that will allow the researcher to model the cause-and-effect relationship between two or more variables. Causal research is regarded most appropriate when the research objectives include the need to understand the reasons why certain market phenomena happen as they do. This may assist the decision maker to gain an understanding of which independent variables are the cause of a dependent phenomenon defined in the decision or research problem. An independent variable is a symbol or concept over which the researcher has some control or which he/she can manipulate to some extent. It is hypothesised to cause or influence the dependent variable (McDaniel and Gates, 2009:29). A dependent variable, however, is a symbol or concept that is expected to be explained by the independent variable.

4.2.2.3 Descriptive research design

Saunders *et al.*, (2009:140) indicate that the object of descriptive research is to ‘portray an accurate profile of persons, events or situations. Descriptive research design presents a picture of the specific details of a situation, social setting or relationship’. Goddard and Melville (2004:9) argue that descriptive research involves the study of a specific situation to see if it gives rise to any general theories, and if general theories arise from the specific situation under investigation. Descriptive research was the research design chosen for this study because the researcher was not interested in finding cause-and-effect relationships, neither merely classifying the problems or opportunities found, but rather making inferences about the results obtained.

When selecting a descriptive research design, the researcher has to choose between a variety of methods, namely a case study, survey research, an experiment, secondary data study or simulation (Salkind, 2009:193–194).

There are many data sources for collecting information. Only two types of sources are discussed below.

4.3 SECONDARY RESEARCH

According to Salkind (2009:218–219), secondary research is an advantageous source of information, because there is usually a wealth of research previously conducted on various topics. Secondary data are usually in written form, but are increasingly made available via computers and other electronic sources.

Secondary data exist before a study is conducted – hence, such data are readily available (Saunders *et al.*, 2009:258). A research study using secondary data is invariably less expensive and, since the research has already been conducted, the task is not as time-consuming to complete compared with using primary data throughout the study. Secondary data were used to formulate the literature review in chapter two.

According to Salkind (2009:220–221), a distinction can be made between two types of secondary data, namely internal and external secondary data. Internal secondary data are available within an organisation, such as sales receipts, customer records, mailing lists, financial returns and survey findings. External secondary data are available outside the organisation from libraries, the internet and public sources. Public sources are organisations such as the City Of Windhoek. Such sources are valuable resources of information. When assessing secondary information, it is vital to consider when the information was collected, since incorrect data could have a significant impact on the outcome of the study (Saunders *et al.*, 2009:261). In view of this observation, only information acquired by reliable sources was used in this study.

It is necessary to conduct primary research to acquire new information and knowledge about the topic under investigation – hence, a short discussion on what primary research is, is provided as follows.

4.4 PRIMARY RESEARCH

According to Saunders *et al.*, (2009:296), gathering primary data is the original research conducted on a specific phenomenon. Primary data is collected specifically to address the problem in question and is conducted by the researcher. Unlike secondary data, primary data can not be found elsewhere. Primary data may be collected through surveys, focus groups or in-depth interviews, or through experiments such as taste tests. Thus the source of primary data is the output of conducting a research project using certain techniques (in this study, a survey) to collect the required data (Saunders *et al.*, 2009:296). The data are customised to the phenomenon and tend to require specialised data collection procedures. Great consideration should be taken in collecting primary data to ensure that the data collected provide unbiased information that is relevant, clear and accurate.

To acquire primary data for this study, research had to be conducted. This necessitates a discussion on research design to explain the research process. Because it is important to assure respondents when they respond to a questionnaire that they have a right to privacy and confidentiality, considerations about ethics in research are raised, and so before the questionnaire can be designed, the ethics involved in conducting the research needs to be discussed.

4.5 ETHICAL CONSIDERATIONS

According to Cooper and Schindler (2011:116), ethical research requires personal integrity from the researcher; ethics begins and ends with the researcher. The researcher has an ethical responsibility that pertains to all stages of the research: ‘writing a proposal, carrying out the research, and reporting on the results’. Ethics are norms or standards of behaviour that guide moral choices about behaviour and relationships with others (Cooper and Schindler, 2011:116). The goal of ethics in research is to ensure that no one is harmed or suffers adverse consequences

from research activities (this objective is usually achieved). In this study, the researcher followed the criteria set out in Strauss and Myburg (2007:61).

The following ethical principles have been adhered to during this research study:

- The participants were informed about the purpose of the research and how the information will be used.
- Participation was voluntary and the participants were free to withdraw at any time without penalty.
- Confidentiality and anonymity of the participants were secured by not adding or allocating names to the responses on the questionnaire.

Bearing the above ethical considerations in mind, an appropriate research strategy for the study was formulated after obtaining ethical clearance.

4.6 RESEARCH METHODS

According to Hair *et al.*, (2006:215), research objectives and information requirements are the key to determining which type of research design will be most appropriate to use in collecting raw data. The methods available for collecting data have been classified into two categories: quantitative and qualitative research methods. Before deciding what type of research to conduct, it is necessary for the researcher to understand the difference between quantitative and qualitative research, therefore the differences are explained below.

4.6.1 Qualitative data

Hair *et al.*, (2006: 661) argue that qualitative research uses selective types of research methods in exploratory research designs where the main objectives are to gain a variety of preliminary insights to discover and identify problems and opportunities. Qualitative research provides in-depth, non-numeric information and is mainly descriptive. It involves the collection and analysis of data concerned with meanings, attitude and beliefs (Hair *et al.*, 2006:661).

Qualitative research tends to focus on the collection of detailed primary data from relatively small samples of subjects by asking questions or observing behaviour (Hair *et al.*, 2006:216). Open-ended questions that allow for in-depth probing of the subjects' initial responses or specific observational techniques that allow for analysis of behaviour were used in the questionnaire. Qualitative data can be collected within relatively short periods of time, but it is often difficult to summarise or quantify the data into meaningful forms or numbers. Data analysis is usually restricted to highly subjective content.

Qualitative research is usually much cheaper than quantitative research (see paragraph 4.6.2 for an explanation and definition), therefore making it a popular option to consider (McDaniel and Gates, 2009:109). Also, it is a far superior method for understanding the detailed motives and feelings of consumers.

A limitation of qualitative research is that it does not necessarily represent the population that is of interest to the researcher. This is because smaller samples are used owing to the lack of interviewers. The researcher's ability to generalise qualitative data into larger segments is extremely limited since the non-structured sample size is small (McDaniel and Gates, 2009:216).

The most common forms of data collection for the purpose of qualitative studies are personal interviews (in-depth or one-one interviews) and focus groups.

- According to Hair *et al.*, (2006:219), an in-depth interview is a formalised process in which a well-trained interviewer asks a subject a set of unstructured questions in a face-to-face setting. Unstructured questions are open-ended questions (questions with no pre-determined answers) which respondents answer in their own words (Saunders *et al.*, (2009:375).
- Focus groups are an alternative to in-depth interviews.
- Hair *et al.*, (2006:222) indicate that focus groups are a formalised process of bringing together a small group of people for an interactive, spontaneous discussion on one particular topic or concept. A moderator moves the discussion through desired topic areas and the individuals participate in the group discussion.

Since qualitative data have been explained, paragraph. 4.6.2 will explain quantitative data.

4.6.2 Quantitative data

According to Hair *et al.*, (2006: 661), quantitative research involves data collection methods that emphasise the use of formalised, standard, structured questioning practices in which the response options have been prearranged by the researcher and administered to significantly large numbers of respondents. The data results in numerical counts from which statistical inferences can be drawn. Quantitative research methods are more directly related to descriptive and causal research design than to exploratory design as observed Baltar and Brunet (2012) Success in collecting primary data is more a function of correctly designing and administering the survey instrument than of the communication and interpretive skills of an interviewer or observer, as in the case of qualitative data (Hair *et al.*, 2006:216).

The researcher has decided to use quantitative data for this study. The reason for this is that qualitative research provides in-depth, non-numeric information and involves the collection and analysis of data meanings, opinions and perceptions by asking the respondents questions. Quantitative research uses formalised, standard and structured questioning practices where the response options have been predetermined by the researcher.

The study has been identified as a descriptive study using quantitative data. Various descriptive research designs will be discussed below.

4.7 DESCRIPTIVE RESEARCH DESIGNS

As descriptive research design has various methods, the researcher has to choose between various descriptive research methods that will be most effective for the research study. Each method will be explained and then an appropriate method will be selected for the study.

According to Saunders *et al.*, (2009:145–146), a case study is the development of detailed, intensive knowledge about a single ‘case’ or a small number of related ‘cases’. They add that case studies attempt to describe the subject’s entire range of behaviours and relationship of these behaviours to the subject’s history and environment. The survey method is usually associated with the deductive approach. Surveys allow the collection of a large amount of data from a

sizable population in a highly economical way. Much time is spent on designing and piloting a questionnaire and in analysing the results with the aid of an appropriate computer package (Saunders *et al.*, 2009:146).

A survey method of research design has been selected for this research over the other two described above. The researcher selected the survey method to obtain information on SME marketing communication methods. Survey research design will be discussed in depth below.

4.8 SURVEY RESEARCH DESIGN

According to Hair *et al.*, (2006:253), survey research methods are research procedures for collecting large amount of raw data using a questions-and-answer format. Survey methods are associated with descriptive and causal research situations, and allow one to collect a large amount of data from a population in an economical manner. A population is the identifiable total set of elements of interest being investigated by a researcher (Hair *et al.*, 2006:328). The sample size is the number of elements to be included in a study (Malhotra, 2004:318). Determining a reasonable size for a population involves considering the fact that the larger the sample size, the greater the likelihood of obtaining a true representation of the population. In this study, the researcher felt that the 119 SMEs registered with the City of Windhoek that were provided with questionnaires would give a true reflection of the population.

The majority of marketing or information research is conducted through one or more of the various survey methods (Hair *et al.*, 2006:243). In most cases, the research problems or opportunities are well-defined, and there is agreement on the precise data requirement. Structured interviews (where standardised questions are put to all the respondents) also fall into the survey category.

If the sampling is correct, surveys are accurate and information can be obtained on past and future behaviour. Data can be collected on current attitudes and opinions and, as mentioned by Saunders *et al.*, (2009:144), the data acquired through surveys can also provide basic information on existing or changing behaviour. Answers to survey questions can be presented in numerical

form and subjected to various kinds of analyses as will be done in this study, and explained in Chapter five.

4.8.1 Types of self-administered survey methods

Hair *et al.*, (2006:261) describe the self-administered survey as a data collection technique in which the respondent reads the survey questions and records his/her own answers without the presence of a trained interviewer. This method allows no interviewer interference, bias or probing, and the cost per survey is substantially less.

The most common type of self-administered survey is the direct-mail survey method. Mail panels and drop-off surveys will also be discussed.

- A *direct-mail survey* is a self-administered questionnaire that is delivered to selected respondents and returned to the researcher by mail (Hair *et al.*, 2006:261). Mail surveys entail mailing each potential respondent a package containing a cover letter, the survey questionnaire, instructions for completion and return, and a stamped envelope addressed to the research company conducting the research. An incentive (money or small gift) may or may not be included. There is no personal interaction between the interviewer and the respondent. The researcher must be careful to select a list that accurately reflects the target population of interest (Hair *et al.*, 2006:261). This method may be more cost-effective to administer than other methods mentioned. However, being able to grab the potential respondent's attention is challenging. A weakness of this method is that the response rate tends to be much lower than face-to-face or telephone interviews. Another problem is misunderstood questions or skipped questions, because there is no interviewer present to explain the questions to the respondent.
- A *mail-panel survey* is a questionnaire sent to a group of individuals who have agreed in advance to participate (Hair *et al.*, 2006:262). Prior agreement usually guarantees a higher response rate. Also, this method allows for longitudinal research because the same people can be tested many times over an extended period, which allows the researcher to observe changes in the panel member's responses over time. One of the shortcomings of

this method is that the members are likely not to be representative of the target population.

- A *drop-off survey* is a self-administered questionnaire which a representative of the researcher hand delivers to selected respondents. The completed surveys are returned by mail or picked up by the representative (Hair *et al.*, 2006:262). This allows the representative to be available to answer general questions and encourage the respondents to complete the questionnaire. However, this method is costly because the researcher has to go to each respondent to drop off and to pick up the questionnaire.

4.8.2 Selecting an appropriate survey method

After considering all the self-administered survey methods, the researcher decided to use the drop-off survey, whereby the researcher hand delivered the questionnaire to the researcher and the respondents completed the questionnaire in his presence. The reason for this decision is firstly that the research was conducted in an incubation centre where all the SMEs are located. Secondly, it is also cost effective as all the SMEs are located in two places, namely the Katutura and Khomasdal Incubation Centres. Finally, the researcher will be available to answer questions from the respondents.

4.9 SAMPLING

A simple random sample was used for this study as the researcher was provided with a name list of all the SMEs operating at the Katutura and Khomasdal Incubation Centres. According to Brown (2006:66–67), the basic idea of sampling is that by selecting some of the elements in a population with will answer to the questions under survey and not to focus on the whole population. The sample is supposed to be representative of the population as a whole. The basic idea of sampling is that by selecting some of the elements in a population, conclusions may be drawn about the whole population (Saunders *et al.*, 2009: 212).

4.9.1 Reasons for sampling

- It reduces cost. It has economic advantages;
- It has greater accuracy of research results.
- It increases the speed of data collection.

4.9.2 Types of sample designs

Saunders *et al.*, (2009:213) identified two types of sampling designs. These are *probability sampling*, which is based on the concept of random selection – a controlled procedure that assures that each population element is given a known nonzero chance of selection, and *non-probability sampling*, which is arbitrary and subjective, i.e. each member does not have a known nonzero chance of being included.

Examples of probability samples:

- Stratified random sample
- Simple random sample
- Cluster sample
- Systematic sample

Examples of non-probability samples:

- Accidental or incidental samples (convenience samples)
- Purposive samples
- Snowball samples.
- Quota samples

The advantage of non-probability samples is that they are less complex and more economical in terms of financial expenses than probability samples. In contrast with non-probability sampling, however, probability sampling enables the researcher to determine the standard deviation of the obtained results and to estimate the sampling error (Saunders *et al.*, 2009:233).

4.9.2.1 Probability samples

1. A simple random sample involves the researcher selecting the sample at random from the sampling frame using either random number tables or a computer.

2. Stratified random sampling is a modification of random sampling in which the population is divided into two or more relevant and significant strata (subsets) based on one or a number of attributes e.g. sex or age group.
3. Systematic sampling involves the researcher selecting the sample at regular intervals from the sampling frame
4. Cluster sampling is similar to stratified sampling since the population needs to be divided into discreet groups, called clusters, prior to sampling. The sampling frame is a complete list of clusters rather than a list of individual cases from which the sample is drawn.

4.9.2.2 Non-probability samples

According to Cooper and Schindler (2011:192), non-probability samples that are unrestricted are called convenience samples. The sample selection process is continued until the required sample size has been reached. An accidental or incidental sample is the most convenient collection of members of the population that are near and readily available for research purposes, e.g. the people who happen to be at a particular shopping mall at a particular time when the researcher is conducting his/her research.

Saunders *et al.*, (2009:174) state that it is the most imperative kind of non-probability sampling. This is because researchers rely on their experience and ingenuity to deliberately obtain members of the population in such a manner that the sample they acquire may be regarded as representative of the relevant population. Saunders *et al.*, (2009:235) argue that quota sampling makes an effort to have the same proportions of units of analysis in important strata, such as sex or age, as are in the population, but these units of analysis are obtained in any particular stratum accidentally. A simple random method of sampling was used.

4.10 QUESTIONNAIRE DESIGN AND LAYOUT

Questionnaire design and layout are important aspects of a questionnaire which assist in capturing the interest of the respondents. The questionnaire was targeted at managers and owners who had knowledge of the marketing communication methods used by SMEs. The questionnaire used the format applied in the study conducted by Van der Merwe (2003) on the tourism industry in South Africa, with specific focus on tourism in Gauteng Province.

4.10.1 Questionnaire Design

Questionnaire design is as essential as the nature and wording of the questions asked in the questionnaire (Saunders *et al.*, 2009:371). The questions are designed in such a way that the respondents check one response from a series of boxes adequately and evenly spaced apart. Every form of survey research relies on a questionnaire (McDaniel and Gates, 2009:289). Questionnaires give a standard form from which facts, opinions and perceptions can be written down, which facilitates data processing. Hence the primary role of questionnaires is to elicit exact information from respondents. McDaniel and Gates (2009:289) state that a questionnaire can be described as a set of questions designed to generate the data necessary for accomplishing the objectives of a research study.

A process has to be followed when designing a questionnaire, involving elements such as question development, evaluation, wording and questionnaire layout. This process was followed to design the study's questionnaire and will be discussed below.

4.10.1.1 Questionnaire development

Berger (2005:37) argues that when conducting survey research, the topic to be investigated should be carefully and precisely defined because it will determine the questions to be asked. It is imperative to ensure that data that are collected will be able to answer the research – hence the design of each question should be determined by the data that need to be collected. Berger (2005:40) suggests that then the researcher should consider the number of questions to ask, the respondent's ability to answer the questions, question content, language used, the form of the questions, the purpose of the questions and question clarity. Types of questions in the questionnaire are discussed next.

4.10.1.2 Open-ended questions (unstructured questions)

Saunders *et al.*, (2009:375) state that open-ended questions are pivotal in questionnaires if the researcher is unsure of the response – in other words, when all possible answers to a given question are not known. Such questions afford the respondent the opportunity to raise several points. The amount of space provided to respond to open-ended questions gives the respondent an idea of the length and fullness of the response. Open-ended questions require more thinking and effort on the part of the respondents (Hair *et al.*, 2006:441).

According to McDaniel and Gates (2009:298), the basic problem in open-ended questions is in their interpretation, hence the need to exercise caution in the formulation of open-ended questions in the research questionnaire. The question must be truly open-ended and should not reflect bias from the interviewer.

4.10.1.3 Checklists

According to Martins, Loubser and van Wyk (2003:222), a checklist typically lists attributes that the respondent is required to rate in terms of given criteria which are rated in accordance with their importance or applicability. An abridged example of a checklist from the questionnaire is provided below.

Table: 4.2 Checklists from the questionnaire

Methods	Regularity				
	Daily	Weekly	Monthly	Once a year	Never or don't have
Television					
Radio					
Newspapers					
Brochures					
Flyers					
Word of mouth					

4.10.1.4 Scaled questions

When using scaled questions, the respondent is required to mark a point on a scale (Martins *et al.*, 2003:224). For the purpose of this study, a graphic rating scale was used and the respondents were required to indicate their responses on a continuum covering the range of possible ratings.

A shortened version of a scaled question from the questionnaire follows.

Table: 4.3 Scaled questions from the questionnaire

Methods	Effectiveness				
	Totally ineffective	Ineffective	Effective	More effective	Most effective
Television					
Newspapers					

4.10.2 Questionnaire layout

Saunders *et al.*, (2009:387) state that questionnaire layout is significant for both self-administered and interviewer administered questionnaires. They argue that the layout of self-administered questionnaires should, in addition, encourage the respondent to participate in the research study. Saunders *et al.*, (2009:387) argue that one way to reduce the length without reducing legibility is to record answers to questions with the same set of possible responses as a table, with instructions on how to answer the question. Saunders *et al.*, (2009:387) further argue that a questionnaire that is printed on good quality paper implies that the study is important, white being a good neutral colour.

4.10.2.1 Questionnaire Relevance

Questions that are asked in a questionnaire have to be relevant to the study's goals and the respondent's situation. In the interests of being definite and precise, and pointing to the relevance of an issue, the researcher used short and to-the-point questions. Respondents are often unwilling to study an item in order to understand it. The researcher made the questions easy to read in order for the respondents to understand its intent and hence provide the answer without difficulty. Questions are applicable to the marketing communication methods and the relationship of the said marketing communication methods to SME success. This was ensured through the use of a pilot test.

4.10.2.2 Sensitive information

Some topics, for example which marketing communication methods are applied by SMEs in clothing and textile manufacturers operating from the Katutura and Khomasdal Incubation Centres and the effect derived from the marketing communication methods, are regarded as sensitive, and respondents may be hesitant to give correct answers to them for ego reasons. These have therefore been avoided as much as possible in this research, and the participants were reassured of confidentiality by the agreement the researcher had made, and that all company information will be treated as such.

4.10.2.3 Choice between closed-ended and open-ended questions

The researcher had to choose between closed-ended questions, where the respondents have to select from alternative responses, and open-ended questions, where the respondents have to formulate their responses themselves. Responses to closed-ended questions are easy to grade or measure. They are also faster for the respondent to answer because all the possible responses are given. Open-ended questions provide the respondents with the opportunity to give their view, opinion and perception.

With the open-ended questions, SME owners/managers were given the opportunity to give their opinion. Also, the liberty afforded by open-ended questions results in the responses obtained being more difficult to score, and consequently, requiring more time for this purpose than do closed-ended questions, since there is minimal writing required in the latter. Furthermore, it is more complex to compare different respondents' responses than in closed-ended questions, where they have been predetermined. The chance of obtaining inappropriate responses is also greater in open-ended questions. In closed-ended questions, inappropriate responses may be obtained when respondents do not have an opinion. Saunders *et al.*, (2009:375) state that 'it is not uncommon to find that when alternatives containing incorrect or even fictitious information are deliberately included; there are indeed individuals who select such alternatives'.

After considering the above argument, the researcher opted for closed-ended questions and minimised the use of open-ended questions. To accommodate those respondents with unique experiences or situations, they have been given the freedom to express themselves in identifying marketing communication methods they apply and how the said marketing-mix strategy contributes to their SME success.

4.11 MEASUREMENT SCALES

McDaniel and Gates (2009:248) state that measurement is the process of assigning numbers or labels to objects in accordance with specific rules to represent quantities or qualities of attributes. Thus measurement scales are a set of symbols or numbers constructed in such a way that they can be assigned by a rule to individuals or their behaviours and attitudes (McDaniel and Gates, 2009:249).

Formulating a measurement scale starts with determining the level of measurement that is either desirable or possible. To follow, the four levels of measurement will be discussed, namely nominal, ordinal, interval and ratio scales. A brief comparison between the four scales is shown in Table 4.4 below.

Table: 4.4 Primary scales of measurement

Scale	Basic Characteristics	Common examples	Marketing examples
Nominal	Numbers identify and classify objectives	Numbering football players	Brand numbers
Ordinal	Numbering indicate the relative positions of the objects but not the magnitude of differences between them	Ranking teams in a tournament	Preference rankings, market position
Interval	Differences between objects can be compared; zero point is arbitrary.	Temperature	Attitudes, opinions
Ratio	Zero points are fixed; ratios of scales values can be computed.	Length, weight	Age, income, market share

Sourced: Salkind (2009:105)

4.11.1 Nominal scale

Salkind (2009:105) indicates that a nominal scale is the most basic of the four types of scale designs. Questions seek to categorise responses by assigning them to mutually exclusive categories. This implies that all the data will fit into single categories, and will fit somewhere in the scale. Such scales require respondents to provide only some type of descriptor as the raw response. Dichotomous questions, multiple-choice questions with single answers and checklists use nominal data.

4.11.2. Ordinal scales

Questions at the ordinal level of measurement order responses in terms of a pre-defined characteristic, thus allowing a respondent to express relative magnitude between the answers to a question (Salkind, 2009:106). This is basically a nominal scale that can order data (McDaniel and Gates, 2009:249). Responses to these questions inform the researcher about the ordering of

items since this type of scale allows respondents to express relative magnitude between the answers to a question (Salkind, 2009:106), although no inferences about the distances between the items can be drawn. Ordinal numbers are used strictly to indicate rank order and the numbers do not indicate absolute quantities, nor do they imply that the intervals between the numbers are equal (McDaniel and Gates, 2009:250). The most common questions are ranking questions. In the questionnaire, questions using an ordinal scale include the following:

Table: 4.5 Ordinal scale questions used in the questionnaire

Methods	Effectiveness				
	Totally ineffective	Ineffective	Effective	More effective	Most effective
Television					
Radio					
Newspapers					

4.11.3 Interval scales

An interval scale is an ordinal scale with equal intervals between points to show relative amounts (McDaniel and Gates, 2009:251). Interval scales can therefore measure how much of a trait someone or something has over another. Rating questions can be analysed by means of interval scales because such questions require a respondent to place an attribute of the person or object being rated along an explicit, well-defined continuum. There is a constant or equal interval between scale values (Salkind, 2009:106), but the location of the zero point is not fixed. Both the zero point and the units of measurement are arbitrary. Such an arbitrary zero point restricts the statements that a researcher can make about the scale points. In the questionnaire, questions using an interval scale include the following:

Table: 4.6 Interval scale questions used in the questionnaire

	Methods	Regularity				
		Daily	Weekly	Monthly	Once a year	Never or don't have
1.	Brochures					
2.	Flyers					
3.	Word of mouth					

4.11.4 Ratio scales

Ratio scales have a meaningful zero point so that magnitudes can be compared arithmetically (McDaniel and Gates, 2009:252). Such scales measure objects, behaviours and beliefs on a continuum with an absolute or fixed zero origin, and placement on this continuum reflects the degree to which the object, behaviour or belief measured possesses more, less or even none of the characteristics represented on the continuum (McDaniel and Gates, 2009:252). Thus the ratio scale reflects the actual amount of a variable. The most common form is the constant sum scale, which is a ratio measure that requires a respondent to divide a present quantity (constant sum) among two or more objects or attributes in a way that reflects the respondent's relative preference for each object or attitude (McDaniel and Gates, 2009:269). The most common constant sums used in research are 10 and 100. Questions using an interval scale include the following:

1.4 How long has your business been operating from the indicated incubation centre?

Table: 4.7 Interval scale used in the questionnaire

Tick	Period
	Months
	1 Year
	Between 2- 5 years
	Between 6-10
	More than 10 years

To conclude the section on questions used in the questionnaire, Table 4.8 has been included to list each question and indicate into which category it falls.

Table: 4.8 Question classification

Question	Type of Question	Scale
Part 1		
1.1 In which incubation centre is your business located: (Tick where you are located)	Closed / ranking	Ordinal
1.2 Please indicate your gender:	Closed/ranking	Ordinal
1.3 How long has your business been operating from the indicated incubation centre?	Closed/multiple-choice with single answer	Ratio
1.4 Do you have access to internet for your SME operations?	Closed/ranking	Ordinal
1.5 Do you have an active website for your SME?	Closed/ranking	Ordinal

1.6 What services are provided in the incubation centre?	Open-ended	Nominal
1.7 What are the advantages for your business to operate from the incubation centre?	Open-ended	Nominal
1.8 What are the disadvantages for your business to operate from the incubation centre?	Open-ended	Nominal
1.9 How many employees does your business have?	Closed/ multiple-choice with multiple answers/grid	Ratio
1.10 What is your highest qualification?	Closed/ranking	Ordinal
Part 2		
2.1 Regular use of marketing communication methods. For each option provided below a) Indicate the regular use of the listed marketing communication methods.	Closed/checklist/multiple choice with single answer/advanced grid	Nominal
b) Rate the effectiveness of each tool (in terms of generating maximum sales at the lowest cost) separately, where 1= totally ineffective, 2= ineffective, 3= effective, 4= more effective and 5= most effective.	Closed/scale/advanced grid	Interval
Part 3		
3.1 Which marketing communication methods (selected in 1.1) do you consider to be the most important to your business? Provide reasons for each marketing communication method selected.	Open-ended	Nominal
Part 4		
4.1 Which marketing communication methods NOT currently used by your business might be considered to be used in future? Provide reasons for each marketing communication method selected.	Open-ended	Nominal

Instructions are added to the questionnaire, persuading the respondents to be honest and critical as they select the best answer, and informing them of the possibility of usage of the results of the research by Namibian SME policy makers and other role players to address the marketing communication methods within the Namibian SME sector. The following section will discuss the data analysis.

4.12 DATA ANALYSIS

The questionnaire used to obtain information for this study was administered by the researcher. The responses to the questionnaire were manually analysed, entered into an MS Excel database

and prepared for SPSS analysis. Data analysis is the process of aggregating the individual responses or 'raw' data. Hair *et al.*, (2006:662) indicate that raw data are the first-hand responses obtained on the investigated objects, either by asking questions (using a questionnaire, as in this study) or observing the subject's actions.

4.12.1 Preparing the data

According to Terre Blanche, Durrheim and Painter (2006:98) preparing raw data for analysis involves three steps, namely coding, entering and cleaning. Each of these will be briefly explained. Coding the data involves changing the answers into numerical format. Open-ended questions were grouped into similar 'themes', each theme receiving a numerical number (code). Statistical Package for the Social Sciences (SPSS) Version 21 database was used to analyse the data. SPSS is a statistical package that can be used in various stages of the marketing research process, especially for data preparation and analysis (Malholtra, 2004:26).

Cleaning the data involves ensuring that there are no entering errors. Outlying values were checked to ensure that there were no errors on the part of the respondents. Outlying values (or outliers) are data points that exceed the acceptable level of significance for the study (Cooper and Schindler, 2011:437). In the preliminary analysis it is important to separate legitimate outliers from errors in measurements, editing, and coding and data entry. Outliers that reflect unusual cases are a vital source of information for a study.

4.12.2 Deciding on the level of significance

Some differences may appear to exist between groups (in the sample data), but in reality (in the real population) these may not exist (Salkind, 2011:170). To help the researcher decide if a difference is large enough to be considered 'real' or if it is merely by chance, a significance level is set to enable the researcher to judge the results.

The level of significance is the degree of risk in the accuracy of the test that the researcher is willing to accept (Hair *et al.*, 2006:531). Most computer programs report a so-called 'p-value' with each statistical test of a null hypothesis. The p-value is the exact probability of obtaining a computed test statistic that was largely due to chance – the smaller the p-value, the smaller the

probability that the observed result occurred by chance (McDaniel and Gates, 2009:427). This p-value gives the probability of the results under the null hypothesis. The null hypothesis is a statement of the perceived existing relationship between either two questions, dimensions or sub-groupings of attributes as being not significantly different (Hair *et al.*, 2006:659). Often the null hypothesis is rejected for a p-value less than 0,05 or 0,01. Normally the researcher sets the so-called 'level of significance' (0,05 or 0,01) in advance.

In choosing a level of significance for the present research, the following viewpoints were taken into account:

- In the social sciences, scientists are as concerned with missing a significant result or making a type II error as they are about falsely concluding a significant result (committing a type I error). A type I error is the error made by rejecting the null hypothesis when it is true (Hair *et al.*, 2006:531), while a type II error is the error of failing to reject the null hypothesis when the alternative hypothesis is true (Hair *et al.*, 2006:532).
- The sample size of the present study is small (N=45). As a result, statistical tests lack power – in other words; they lack the ability to detect significant results (Cooper and Schindler, 2011:474). One would thus not want to use a strict level of significance such as 0,01. Thus the most commonly accepted level of 0,05 was chosen for the present study.

Once the level of significance has been determined, the researcher considered various statistical tests.

4.13 VARIOUS STATISTICAL TESTS

All statistical analyses in the present study were computed using the SPSS statistical package for Windows Version 21 introduced in the year 2012. There are basically two types of statistics, namely descriptive and inferential statistics. The aim of descriptive statistics is to describe the data by investigating the distribution of scores on each variable, and by determining whether the scores on different variables are related to each other. Inferential data analysis allows the

researcher to draw conclusions about populations from sample data. Inferential statistics are used to infer something about the population from which the sample was drawn based on the characteristics of the sample (Salkind, 2009:171).

4.13.1 Descriptive statistics

The best way to represent set scores to get a ‘picture’ of what they look like is to generate a regular distribution (Terre Blanche *et al.*, 2006:101). A regular distribution is a summary of how many times each possible raw response to a scale question is recorded by the total group of respondents (Hair *et al.*, 2006:655). Other descriptive statistics include means (which are discussed later) and central tendencies (which were not used in this study). Descriptive statistics usually comprise bar figures and tables (as shown in the sections to follow).

4.13.2 Inferential statistics

A correlation is the measurement of the degree to which changes in one variable (the dependent variable) are associated with changes in another, independent variable (McDaniel and Gates, 2009:448). A correlation is used to describe a relationship between data measured on an interval scale. The Pearson product moment correlation coefficient is a statistical measure of the strength and direction of a linear relationship between two metric variables (Hair *et al.*, 2006:561) – in other words, a correlation analysis technique for use with metric data (McDaniel and Gates, 2009:448).

For those variables where the item responses were of an interval scale type, the Pearson product moment correlation coefficient was used. Correlations estimate the extent to which the changes in one variable (X) are associated with changes in the other variable (Y) and are indicated by the correlation coefficient (r). A correlation coefficient is a measure of the degree of association between X and Y (McDaniel and Gates, 2009:448). Correlation coefficients can range from +1,00 to 1,00. A correlation of +1,00 indicates a perfect positive relationship; a correlation of 0,00 indicates no relationship, and a correlation of -1,00 indicates a perfect negative relationship (McDaniel and Gates, 2009:448).

If the correlation is negative, say -0,5, then the higher a respondent's score on X, the lower his/her score is like to be on Y. Put differently, the lower a respondent's score on X, the higher his/her score on Y will be.

Correlation shows a powerful relationship between the two variables being measured. Cross-tabulation is defined by Malhotra (2004:438) as a statistical technique that describes two or more variables simultaneously and results in tables that reflect the joint distribution of two or more variables that have a limited number of categories or distinct values. This means that a cross-tabulation is the merging of the regular distribution of two or more variables in a table and reflects the joint distribution of two or more variables. However, the researcher wished to see whether a significant relationship exists between regularity – hence, a correlation analysis was conducted.

The Pearson's product moment correlation was calculated as a measure of the linear relation between regularity and effectiveness. Hence, a correlation between regularity and effectiveness of marketing communication methods can be seen in Table 5.21 below.

After data analysis, the researcher must interpret the findings in the light of the research question or determine whether the results are consistent with the hypothesis (Cooper and Schindler, 2011:78). The methods used to do this will be explained in the section below.

4.14 INTERPRETATION OF DATA

While reporting research results, the researcher found it was important to consider the relationship between interpretation, analysis and research objectives. For data interpretation purposes, the data will be represented graphically using bar figures and tables.

4.14.1 Relationship between interpretation, analysis and research objectives

According to Martins *et al.*, (2003:395), a clear distinction exists between analysis and interpretation. In analysis, the collected data are broken up into groups or elements that the researcher examines separately and then translates into intermediate results. In interpretation, the

intermediate results are translated into integrated and meaningful general inferences and findings. ‘Meaningful’ means that the findings must be relevant to the objectives of the research. The final findings of the research exercise must be relevant to the research objectives and must answer the research problem (Martins *et al.*, 2003:395). Each graph below will be explained and interpreted in terms of the study being conducted.

In the tables to follow, an ‘N’ value is given for each table. The ‘N’ value represents the sample size for each question – in other words, the number of respondents per question. In all tables dealing with regular use, the mean scores of the marketing communication methods are highlighted. A mean is the sum of the values for all observations of a variable divided by the number of observation (McDaniel and Gates, 2009:410). In this table (and those to follow on regularity), a low score for the mean (a score under 3,99) indicates high usage. Hence, those blocks highlighted in yellow, namely low figures between 1.0 and 3,99, indicate the marketing communication methods most regularly used. Figures larger than 3,99 (between 4,0 and 5,0) are considered to have a high score and are thus the marketing communication methods used least regularly by SMEs clothing and textile manufacturing operating from the Katutura and Khomasdal Incubation Centres (indicated in highlighted blocks).

The standard deviation indicated in the last column of Table 5.7 (and in the tables to follow) gives an indication of what the mean will be. The difference between the mean and an observation value is called the deviation from the mean. The standard deviation is indicated by the variance from the mean. Variance can never be negative. When the data points are clustered around the mean, the variance is small. When the data points are scattered, the variance is large. Thus the standard deviation is the square root of the variance (Malhotra, 2004:432). Standard deviation is perhaps the most regularly used measure of spread because it improves interpretability by removing the variance’s square and expressing deviations in their original units. A standard deviation is indicated by figures between 0,70 and 0,95. Once the standard deviation is above 0,95, it is no longer considered acceptable.

4.14.2 Pitfalls of interpretation

Martins *et al.*, (2003:396) stated that several pitfalls await the researcher in the interpretation of

results. To interpret the results correctly, the researcher must be familiar with the method of research and the limitations of the results. Over-generalisation should be avoided. Also, very often there may be more information hidden in the data which the researcher is able to bring to light. Disciplined thinking and familiarity with the research method are thus required to enable the results to be interpreted correctly. The researcher in this study attempted not to fall victim to the pitfalls of interpretation by seeking the advice of a statistician regarding results. Also, the results were not taken at face value, but rather investigated so as not to mislead the reader.

4.15 PILOT STUDY

The purpose of the pilot test, Welman, Kruger and Mitchell (2005:148) argue, is to identify possible errors in the measurement procedures (such as ambiguous instructions and inadequate time limits and operationalisation of the independent variable(s) (in experimental research), and to identify unclear or ambiguously formulated items. During the pilot study, the actual questions are presented to the ‘respondents’ and they are then asked to indicate how they have interpreted the formulated questions. Finally, the purpose of a pilot study is an opportunity for the researcher to observe the behaviour of the respondents on certain questions in the questionnaire. Cooper and Schindler (2011:81) have similar observations as to Saunders *et al.*, (2009:305) when considering the purpose of a pilot study.

The pilot phase is successful in terms of the responses obtained, and the sample provided was accurate. All six respondents randomly selected completed the pilot test questionnaire. The anonymous responses to the questions have served as the basis for wording and development for potential questions for the research instrument.

Welman *et al.*, (2005:148) state that a pilot study is mainly useful if the researcher has formulated the measuring instrument specifically for the purpose of the research project.

4.16 SUMMARY

An analysis of the research methods used in this empirical study was outlined in this chapter, and also the reasons why particular methods were used. The research aimed to determine the

marketing communication methods used by Namibian SMEs in clothing and textile manufacturing sector operating at the Katutura and Khomasdal Incubation Centres. To achieve the aim of the study, the objectives were to determine which marketing communication methods are mostly applied by Namibian SMEs, and to determine which marketing communication methods are perceived to achieve the most success for SMEs in Namibia.

Three main research strategies of research design have been discussed at length before selecting the appropriate one for investigating the research problem. The survey study method of research design has been selected for this research over the other two methods described, since it emphasises the application of marketing communication methods alongside SME contexts.

The data collecting method to be used is a questionnaire. Questionnaire design and layout has therefore been discussed, including the type of questions to be asked. The wording of the questions has been debated at length, and several factors for selecting appropriate question content have been considered. Subsequent to this, the response category format has been discussed.

The results of the research will be presented and analysed in chapter five.

CHAPTER 5

DATA ANALYSIS AND RESEARCH RESULTS

5.1 INTRODUCTION

In Chapter 4, the research methodology used in this empirical study was outlined. Three main research strategies of research design have been discussed at length before selecting the appropriate research strategy to investigate the research problem in this study. This chapter is devoted to an analysis and interpretation of the results. Data is presented in different formats including tables, graphs and descriptive narrations.

In the first part of the questionnaire, the respondents were requested to provide business contact details. The questionnaire was divided into four sections:

- Section 1 – Business details
- Section 2 – Marketing communication methods
- Section 3 – Marketing communication methods to be used in future.
- Section 4 – SME owner/manager opinions on how the selected marketing communication method has contributed to their SME success
- Section 5 – Marketing communication methods applied and how it contributed to SME success.

All the sections of the questionnaire, namely business operations, marketing communication methods, marketing communication methods to be used in future and SME owner/managers opinions on how the selected marketing communication method has contributed to their SMEs success, are deliberated. Suitable tables and figures are included to assist with data interpretations.

5.2 RESEARCH FINDINGS

5.2.1 Business Details

This information provides the researcher with insight into the business operations of clothing and textile manufacturing businesses at the incubation centres under survey.

5.2.1.1 Incubation centre.

Table 5.1 reflects the locations of the businesses.

Table: 5.1 Incubation Centres

	Regularity	Percent	Valid Percent	Cumulative Percent
Katutura Incubation Centre	30	66.7	66.7	66.7
Khomasdal Incubation Centre	15	33.3	33.3	100.0
Total	45	100.0	100.0	

In the table above it is evident that 66,7% of the SMEs in the clothing and textile manufacturing business surveyed are from the Katutura Incubation Centre, while 33,3% are from the Khomasdal Incubation Centre. This indicates that more clothing and textile manufacturing businesses were surveyed at Katutura Incubation Centre. These findings can be attributed to the fact that the Katutura Incubation Centre has more SME businesses in total compared to the Khomasdal Incubation Centre.

5.2.1.2 Gender:

With the question of gender, the researcher intended to determine the dominant gender in the incubation centres. This information may be useful in future research on Namibian SMEs, because available resources in the industry can be focused on the least dominant gender. The findings are presented in Table: 5.2.

Table: 5.2 Gender of the respondents

	Regularity	Percent	Valid Percent	Cumulative Percent
Female	34	75.6	75.6	75.6
Male	11	24.4	24.4	100.0
Total	45	100.0	100.0	

Table: 5.2 indicates that the dominant gender was female SME owner/managers at the Katutura and Khomasdal Incubation Centres (75,6 %).

5.2.1.3 Number of years that the SME businesses operate

The question ‘How long has your business been operating from the indicated incubation centre?’. As indicated in para. 2.5.4, the literature suggests that SMEs should have a limited time to operate its business from an incubation centre to allow other newly established SMEs to be accommodated in the centre. Research findings of the City of Windhoek (2010) indicates that there was ‘zero’ graduation for SMEs operating from the incubation centre, meaning that SMEs were not graduating into large companies or firms to make place for new SMEs. The following results were obtained by the researcher and are provided in Figure: 5.1.

Figure: 5.1 Years in the incubation centre.

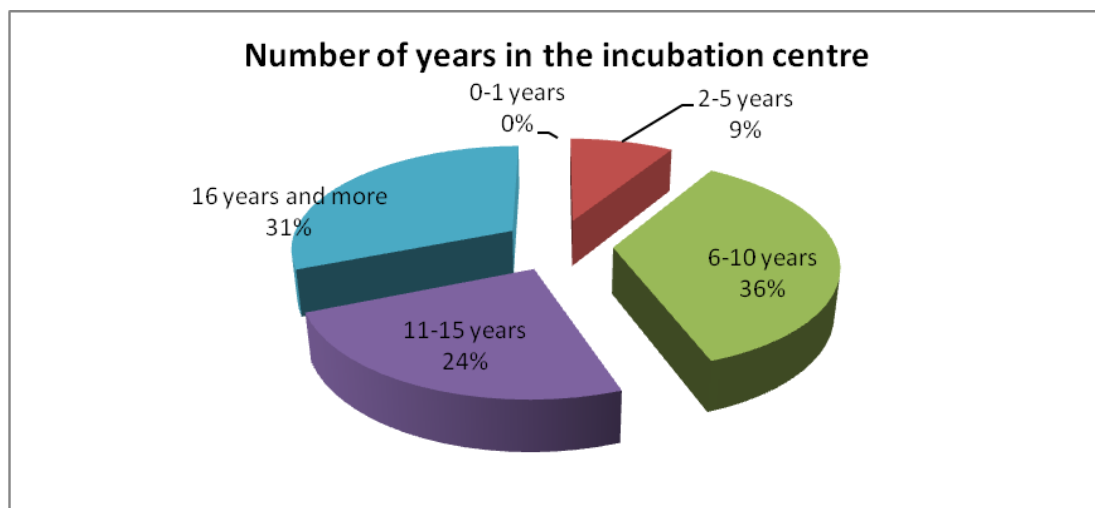


Figure 5.1 shows that most of the respondents at both incubation centres have been operating their businesses for more than 10 years, 36% of the respondents have been operating their businesses from the incubation centres for between 6–10 years, followed by 31% who indicate having operated their businesses for more than 16 years, and 24% for between 11–15 years. Only 9% of the respondents have been operating their businesses from the incubation centres for between 2–5 years.

5.2.1.4 Access to Internet and Websites for SMEs

The questions, ‘Do you have access to internet for your SME operations’ and ‘Do you have an active website for your SME?’ were asked separately; however, for precision, the research results are presented in table 5.3.

Table: 5.3 Access to Internet and Website for SMEs

Access to Internet	Regularity	Percent	Valid Percent	Cumulative Percent
Yes	8	17.8	17.8	17.8
No	37	82.2	82.2	100.0
Website for the business	Regularity	Percent	Valid Percent	Cumulative Percent
Yes	3	6.7	6.7	6.7
No	42	93.3	93.3	100.0

The adaptability and competence of internet technology was found to be ideal for SMEs to participate in international markets. Lawrence (2010:46) recommends that the usage of the internet particularly suits the category and the environment of SME businesses. In view of this, the research findings reported in Table 5.3 indicate that more than 82,2% of respondents does not have access to internet, which means that SMEs in the incubation centres do not make use of the internet to participate in the global market. Similar argument can be raised when considering the research findings on websites ownership of SMEs. The majority of the respondents (93,3%) indicated that they don’t have a website for their business.

5.2.1.5 Services provided in the incubation centre.

It is evident from Table 5.4, which reflects the services provided to SMEs by the incubation centers, that water and electricity and telephone services were provided. The aforementioned services are in line with what is provided by global incubation centers.

Table: 5.4: Services provided in the incubation centres

	Regularity	Percent	Valid Percent	Cumulative Percent
Water and Electricity	45	100.0	100.0	100.0
Telephone	38	84.4	100.00	100.00

Table 5.4 reflects the research finding that only two types of services are provided in the mentioned incubation centres. The abovementioned services are provided by global incubation

centres, and Namibian incubations centres should follow the global trend to have a competitive advantage in Southern Africa.

5.2.1.6 Advantages and disadvantages for SMEs operating business from the incubation centre.

The researcher asked the following questions: ‘What are the advantages for your business to operate from the incubation centre, and what are the disadvantages?’ The following results were obtained and provided in Table 5.5.

Table: 5.5: Advantages and disadvantages for SMEs operating businesses from the incubation centre.

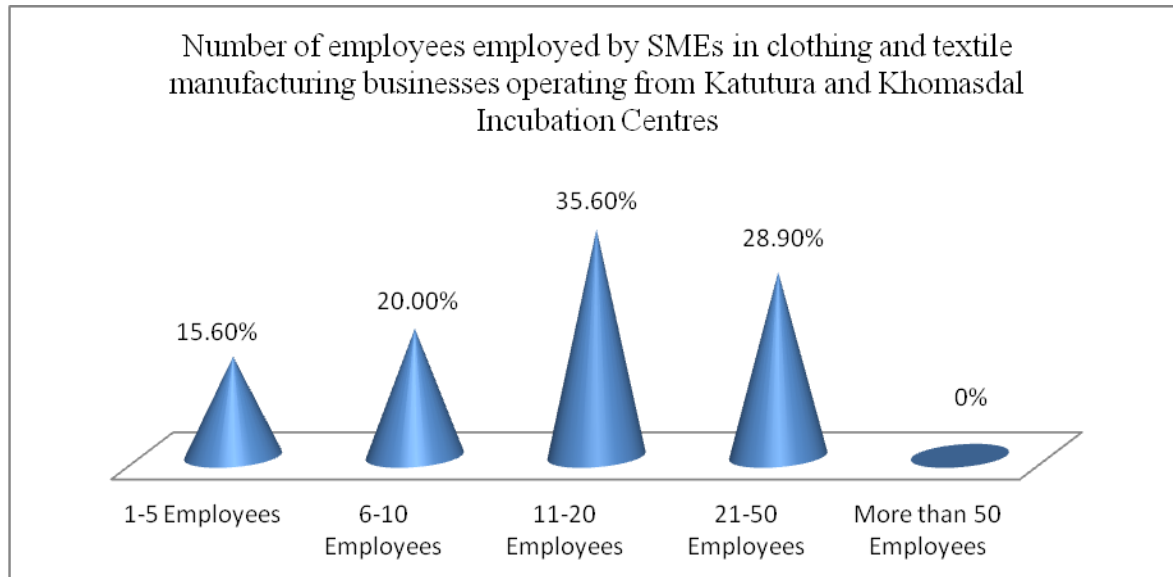
Advantages	Regularity	Per cent	Valid Per cent	Cumulative Per cent
Its near my customers	42	93.3	100.0	100.0
Security is provided	39	86.7	100.00	100.00
Disadvantages	Regularity	Per cent	Valid Per cent	Cumulative Per cent
Too many competitors	32	71.1	100.0	100.0
The rent is too high	13	28.9	100.0	100.0

Table 5.5 shows that the overwhelming majority (93,3%) of the respondents indicated that the major reason why they operate from the incubation centre is access to the market, followed by 86,7% of the respondents who cited security as the major reason why they are operating their business from the incubation centre. It is evident that the SMEs considered their access to the market very important, as indicated. With regard to the disadvantages, 71,1% of the respondents mentioned that competition is very high since many similar businesses are accommodated in the incubation centre. Only 28,9% of the respondents complained about the monthly rent they had to pay to the City of Windhoek.

5.2.1.7 Number of employees, employed by SMEs in clothing and textile businesses operating from the Katutura and Khomasdal Incubation Centres.

According to Edmiston (2007), SMEs are regarded as major job creators in developing countries. The researcher intended to determine the number of jobs created by Namibian SMEs in the clothing and textile manufacturing sector operating in the Katutura and Khomasdal Incubation Centres. It is evident from the research findings provided in Figure 5.2 that most of the respondents (35,6%) mentioned that they employed between 11–20 people, followed by 28,9% who indicated that they employ between 21–50 people.

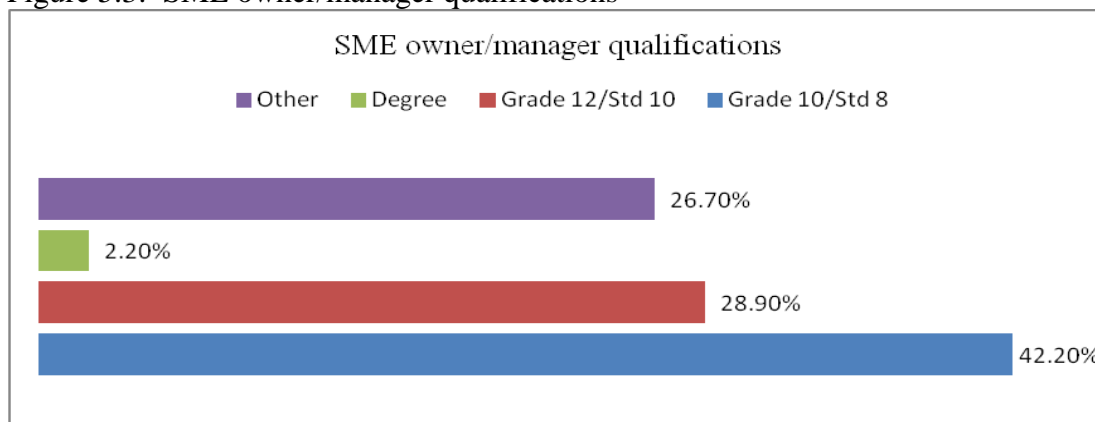
Figure 5.2: Number of Employees employed by SMEs in clothing and textile manufacturing businesses operating from the Katutura and Khomasdal Incubation Centres



5.2.1.8 Highest qualification of SME owners/managers in clothing and textile businesses operating from the Katutura and Khomasdal Incubation Centres

Figure 5.3 indicates that the majority (42,2%) of the respondents are qualified with a Grade 10/Standard 8 Certificate, followed by 28,9% with a Grade 12/Standard 10 certificate. Only 2,2% are degree holders and 26,7% have other qualifications, such as Technical Certificates in Tailoring and Fabric Design.

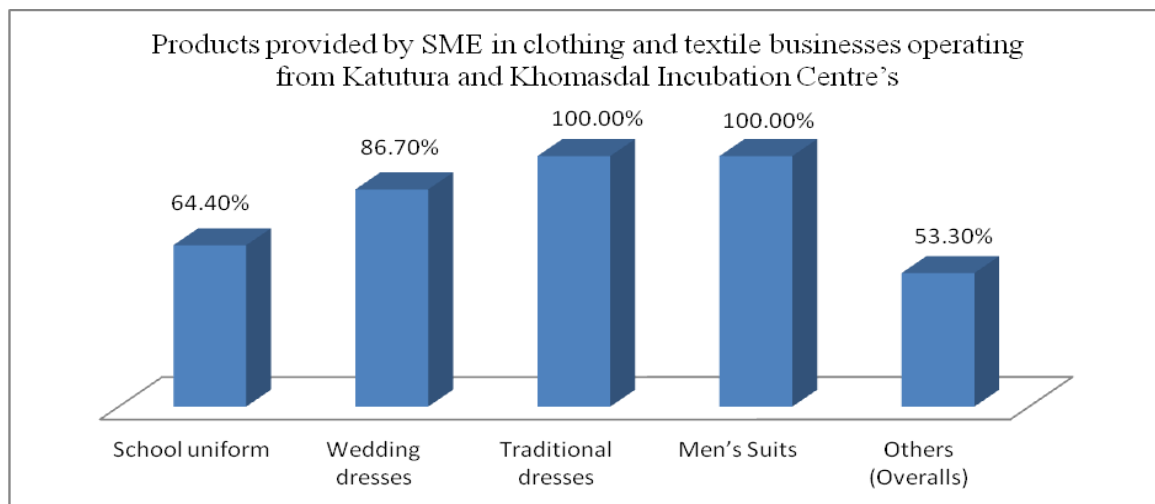
Figure 5.3: SME owner/manager qualifications



5.2.1.9 Items sold by SME owners/managers in clothing and textile businesses operating from the Katutura and Khomasdal Incubation Centres.

Figure 5.4 indicate that 100% of the respondents surveyed produce traditional dresses and men's suits, followed by 86,7% who produce weddings dresses, while 64,4% of the respondents indicated that they produce school uniforms, and 53,3% indicated they produce other items such as industrial overalls.

Figure 5.4: Products provided by SME in clothing and textile businesses operating from Katutura and Khomasdal Incubation Centres



5.2.1.10 Customers who buy from the SMEs operating from the Katutura and Khomasdal Incubation Centres

The researcher asked the following question to determine who their customers were: 'Who are your customers; who buys from you?' The significance of this question is that it will be useful when the SME owner/manager decides on which marketing communication method to use when they communicate with the targeted customers. Table 5.6 shows that 100% of the respondents indicated that they sell their products to tourists, and end users. Only 4,4% of the respondents indicated that they sell to wholesalers. It is worth noting that as only 4,4% of the SMEs sell to wholesalers, this indicator necessitates further research into the production volumes of SMEs.

Table: 5.6 Customers of the Respondents

	Regularity	Percent	Valid Percent	Cumulative Percent
Tourist	45	100.0	100.0	100.0
Wholesalers	2	4.4	100.0	100.0
End users	45	100.0	100.0	100.0
Total	45	100.0		

In the next section, the findings with regard to the regular use and effectiveness of marketing communication methods will be discussed. .

5.3 MARKETING COMMUNICATION METHODS

The first division of the questionnaire consists of questions on the regularity of use and the effectiveness of marketing communication methods. Twenty-eight marketing communication methods were recorded in the questionnaire and SME owner/managers were requested to indicate the regularity of use and effectiveness of the selected marketing communication method.

5.3.1 Regular use of marketing communication methods

The communication methods were clustered into five classifications of marketing communication methods, namely: advertising, sales promotion, public relations, direct marketing and interactive media, as deliberated in the literature.

The five classifications used to categorise the marketing communication methods and their regularity of use is shown in Table 5.7 below.

Table: 5.7: Regularly used marketing communication methods

Regular use of marketing communication method as per classification	N	Mean	Standard Deviation
Public relations	45	4.88	0.324
Social media	45	4.64	0.630
Interactive media	45	4.27	0.652
Advertising	45	4.14	0.377
Sales promotion	45	4.09	0.353
Direct marketing	45	3.14	0.354
* Low score indicates high usage			

Table 5.7 indicates that direct marketing with a mean of 3,14 is the most regularly used marketing communication method. Sales promotion is the second most regularly used method with a mean of 4,09. Advertising produced a mean score of 4,14. The findings reveal that public relations and social media with a mean of 4,64 are the least regularly used method. Interactive media is not that regularly used by the respondents, since the response produced a mean score of 4,27. This is an indication that the SME owner/managers used interactive media less regularly than other marketing communication methods as per the classification. The results are interpreted as follows: direct marketing is the most regularly used method as it has the lowest mean score at 3,14. The least regularly used marketing communication method is public relations with the highest mean of 4,88.

In the following paragraph, each category consists of various marketing communication methods used by SMEs and the research findings are provided per category.

5.4 CLASSIFICATION OF MARKETING COMMUNICATION METHOD

This section encompasses expressive evidence on the classified marketing communication methods in each grouping. The results are displayed in each classification which marketing communication methods are used most regularly and which are used less regularly. The first grouping investigated was advertising.

5.4.1 Regular use of advertising

The regular use of advertising by SMEs in the clothing and textile manufacturing operating in the Katutura and Khomasdal Incubation Centres are indicated in Table 5.8 below

Table: 5.8: Regular use of advertising

Regular use of advertising	N	Mean	Standard Deviation
Advertising	45	4.14	0.377
Television	45	4.79	.675
Magazines	45	4.77	.571
Brochures	45	4.44	.502
Radio	45	4.26	.875

Outdoor billboards	45	3.51	1.638
Newspaper advertisement	45	3.09	.718
* Low score indicates high usage			

Table 5.8 indicates that newspaper as a form of advertisement is considered to be used most regularly (mean of 3,09), followed by outdoor billboards (mean of 3,51). Radios with a mean of 4,26 are also used regularly. The least regularly used method is television at a mean of 4,79. The second least regularly used method is magazines at a mean of 4,77. Brochures are not used regularly (mean of 4,44). The research finding is compatible with those of Mirchevska and Mirchevski (2007:43–44), which suggests that SMEs most often use advertising.

5.4.2 Regular use of sales promotions

The regular use of sales promotion by SMEs by the clothing and textile manufacturers operating from the Katutura and Khomasdal Incubation Centres is reflected in Table 5.9.

Table: 5.9 Regular use of sales promotions.

Regular of use of sales promotion	N	Mean	Standard deviation
Sales Promotions	45	4.09	0.353
Coupons	45	5.00	.000
Samples (Give- aways)	45	4.42	.794
Trade shows	45	4.37	.489
Promotional gifts	45	4.14	.351
Discount	45	3.58	.698
Exhibitions	45	3.14	1.457
* Low score indicates high usage			

It is evident from Table 5.9 that exhibitions are used most often (mean of 3,14), followed by discounts with a mean of 3,58. The least regularly used communication method is coupons with a mean of 5,00, followed by samples, with a mean of 4,42. Trade shows with a mean of 4,37 are regularly used, followed by promotional gifts with a mean of 4,14. The low standard deviation of 0,351 for promotional gifts implies that many SMEs use this method.

5.4.3 Regular use of Public Relations

The regular use of public relations by SMEs in the clothing and textile manufacturers operating from Katutura and Khomasdal Incubation Centres are indicated in Table 5.10.

Table: 5.10: Regularity of use of Public Relations

Regular of use of public relations	N	Mean	Standard deviation
Public relations	45	4.88	.324
Press releases	45	4.88	.324
* Low score indicates high usage			

5.4.4 Regular use of direct marketing

The regular use of direct marketing for SMEs in clothing and textile manufacturers operating from the Katutura and Khomasdal Incubation Centres is reflected in the Table 5.11.

Table: 5.11 Regular use of direct marketing

Regular use of direct marketing	N	Mean	Standard deviation
Direct marketing	45	3.14	0.354
Direct mail	45	4.91	.764
Database to facilitate direct marketing	45	4.44	1.402
SMS	45	4.19	.764
Flyers	45	3.37	.489
Networking	45	3.02	1.611
Point of sale materials on counter display	45	2.35	1.412
Word of mouth	45	1.42	.698
Direct sales to potential clients	45	1.28	.630
* Low score indicates high usage			

Table 5.11 indicates that direct sales to potential clients (mean of 1,28) is the utmost regularly used direct marketing communication method, followed by word-of-mouth (mean of 1,42). This finding does not correspond with Mirchevska and Mirchevski, (2007:43–44) which suggests that SMEs most often implement advertising and direct marketing least often.

Networking with a mean of 3,02 is regularly used, followed by flyers (mean of 3,37). The least regularly used method is direct mail (mean score of 4,91), followed by database to facilitate direct marketing with a mean score of 4,44. SMSs with a mean score of 4,19 indicates that it is used, but not that regularly. Comparing the mean (3,14) of direct marketing and the mean (4,11) of advertisement, it is concluded that the respondents used direct marketing more regularly. The high standard deviation (1,611) for networking indicates that this method of communication is

regularly used. Direct sales to potential clients and word-of-mouth were revealed to be the most regularly used methods in this classification.

5.4.5 Regular use of interactive media

Table: 5.12 shows that email newsletters are the most regularly used interactive method (mean of 4,16), followed by websites (mean of 4,26), while the least regularly used method is solicited email (mean of 4,47). Due to the high mean score, it is concluded that interactive media as a category is not regularly used by the respondents. In the preceding tables, a low score stipulates high usage or most regularly used marketing communication method. The standard deviation for this table is not very high (very close to and above 1,000), which implies that interactive media in its totality is not the most regularly used marketing communication method by the respondents.

Table: 5.12 Regular use of interactive media

Regular use of interactive media	N	Mean	Standard deviation
Interactive media	45	4.27	0.652
Solicited e-mail	45	4.47	.827
Website	45	4.26	1.575
E-mail newsletters	45	4.16	.949
* Low score indicates high usage			

5.4.6 Regular use of social media

The researcher intended to establish the SMEs' regular use of social media. The research findings are revealed in table 5.13. Facebook is the most regularly used method with a mean of 4,51, followed by Twitter (mean of 4,63). The lowest mean score of Facebook indicates that it's the most regularly used social media. This finding is not consistent with those of Burns-Whittemore (2012), which suggests that YouTube is seen to be the most dominant method amongst other social media. The standard deviation for Facebook and Twitter indicated are high (above 1,000) which indicates that respondents most regularly use Facebook and Twitter as a form of marketing communication method.

Table: 5.13 Regular use of social media

Regular use of social media	N	Mean	Standard deviation
Social media	45	4.64	0.630
Blogs	45	4.77	.782
YouTube	45	4.77	.868
Twitter	45	4.63	1.001
Facebook	45	4.51	1.242
* Low score indicates high usage			

5.5 MOST REGULARLY USED MARKETING COMMUNICATION METHOD

Table 5.14 indicates the marketing communication methods which are generally used the most (specified in green) and the least (specified in blue).

Table 5.14: Most regularly used marketing communication methods.

Marketing Communication Method	Mean	Std. Deviation	N
Direct sales (to potential clients)	1.28	.630	45
Word-of-mouth	1.42	.698	45
Point of sale materials/ counter display and stickers)	2.35	1.412	45
Networking	3.02	1.611	45
Newspapers/ Advertisement	3.09	.718	45
Exhibitions	3.14	1.457	45
Flyers	3.37	.489	45
Outdoor/ Billboards posters	3.51	1.638	45
Discounts on sales	3.58	.698	45
Promotional gifts	4.14	.351	45
Email newsletters regular newsletters	4.16	.949	45
SMS (Use to inform clients of specials)	4.19	.764	45
Radio	4.26	.875	45
Website	4.26	1.575	45
Tradeshows	4.37	.489	45
Sampling (give away samples to encourage sales)	4.42	.794	45
Brochures	4.44	.502	45
Database (to facilitate direct marketing)	4.44	1.402	45
Solicit mail (once-off email to introduce new products)	4.47	.827	45
Facebook	4.51	1.242	45
Twitter	4.63	1.001	45
Magazines	4.77	.571	45

Blogs	4.77	.782	45
YouTube	4.77	.868	45
Television	4.79	.675	45
Direct mail	4.91	.294	45
Media publications (sent to different media houses to inform them about new products)	4.88	.324	45
Coupons/ vouchers (to buy specific products on offer)	5.00	.000	45

Table 5.14 reflects the marketing communication methods most and least regularly used as indicated by the respondents. The top five utmost regularly used marketing communication methods are direct sales to potential clients, word-of-mouth, and point-of-sale materials/counter display and stickers, networking and newspapers/advertisement, with mean scores of 1,28, 1,42, 2,35, 3,02, and 3,09 respectively. The top five least regularly used marketing communication methods are YouTube, television, direct mail, press releases and coupons/vouchers with mean scores of 4,77, 4,79, 4,91, 4,88 and 5,00 respectively.

Over and above the regularity of use, an effectiveness assessment was attained for each of the marketing communication methods used by SMEs in clothing and textile manufacturing. The findings are provided below.

5.6 EFFECTIVENESS OF MARKETING COMMUNICATION METHODS

The second section of the questionnaire discusses the effectiveness of the marketing communication methods used by the SMEs. Effectiveness examination is imperative for the appraising of marketing performance in the incubation centres. Strydom (2011:268) explains effectiveness as an association between thoroughly associated contributions (a specific marketing communication method used) and outcomes (experience the accurate target market ensuing in stream of business).

In order to ascertain the effectiveness of the marketing communication methods used by the SME owner/managers, the respondents were requested to indicate the effectiveness of the recorded marketing communication methods on a Likert scale of 1–5, where 1 denotes totally ineffective and 5 most effective.

Table 5.15 below specifies which classification of marketing communication methods is estimated to be most effective.

Table: 5.15 Effectiveness of each marketing communication method as per classification

Effectiveness of marketing communication method as per classification	N	Mean	Standard Deviation
Public relations	45	1.44	0.586
Social media	45	2.16	0.533
Interactive media	45	2.48	0.634
Sales promotion	45	2.59	0.329
Advertising	45	2.24	0.255
Direct marketing	45	3.07	0.334
* High score indicates high usage			

Table 5.15 indicates that direct marketing is measured as the most effective marketing communication per classification, with a mean of 3,07, followed by advertising (mean score of 2,24). Sales promotion with a mean of 2,59 is regarded as effective. The least effective method is public relations, with a mean of 1,44, followed by social media (mean 2,16). Interactive media with a mean of 2,48 is viewed as ineffective. The direct marketing group exhibits the maximum score, and it is found to be the most effective marketing communication group by the respondents. Social media and public relations are not indicated as being an effective marketing communication method, as indicated by their low mean scores of 2,16 and 1,40 respectively.

This research found (see Table. 5.7) that direct marketing is the most regularly used, and is also the most effective method. Sales promotion is be the second most regularly used method, but only viewed as the third most effective group of marketing communication methods.

Effectiveness of advertising

Table 5.16 reflects the findings with respect to the effectiveness of advertising.

Table: 5.16 Effectiveness of advertising.

Effectiveness of advertising	N	Mean	Standard Deviation
Advertising	45	2.24	0.334
Television	45	1.27	0.618
Magazines	45	1.91	0.733
Brochures	45	1.38	0.490
Radio	45	3.40	0.580
Outdoor billboards	45	3.40	0.654
Newspaper advertisement	45	2.07	0.780

*** High score indicates high usage**

Table 5.16 shows that radio advertising is indicated as the utmost effective method of advertising with a mean of 3,40, followed by outdoor billboards (mean of 3,40), with a slightly higher standard deviation of 0,654. Newspaper advertising with a mean of 2,07 is regarded as effective. The least effective method specified by the respondents is television (mean of 1,27), followed by magazines with a mean of 1,91. Brochures are regarded as least effective with a mean of 1,38. Since a high score indicates high effectiveness, radio and outdoor billboards have the maximum mean scores and can therefore be viewed as the utmost effective form of advertising. Newspaper advertisements (measured to be the second most regularly used advertising marketing communication method) are observed as the utmost effective marketing communication method with a mean of 2,07.

Effectiveness of sales promotion

The effectiveness of sales promotion as marketing communication method is presented in Table 5.17. Trade shows are considered the most effective method with a mean of 3,64, followed by promotional gifts with a mean score of 2,82. Exhibitions at a mean score of 2,80 is viewed as being effective, while the least effective communication method is coupons (mean of 1,96), followed by samples with a mean score of 2,07.

Table: 5.17 Effectiveness of sales promotions

Effectiveness of sales promotion	N	Mean	Standard deviation
Sales Promotions	45	2.59	0.329
Coupons	45	1.96	.824
Samples	45	2.07	.986
Trade shows	45	3.64	1.048
Promotional gifts	45	2.82	.777
Discount	45	2.69	.733
Exhibitions	45	2.80	.786
* High score indicates high usage			

Effectiveness of public relations

In this study, public relations was viewed to include press releases. The effectiveness of press releases is revealed in Table 5.18.

Table: 5.18 Effectiveness of Public Relations

Effectiveness of Public relations	N	Mean	Standard deviation
Public relations	45	1.44	0.586
Press releases	45	1.44	0.586
* High score indicates high usage			

Table 5.18 indicates that press releases has a mean score of 1,44 compared to the mean score of advertisement in Table 5.16 and sales promotion (Table 5.17). It was found that the mean score of public relations is the lowest, which indicates it is the least effective method used by the respondents.

Effectiveness of direct marketing

Direct marketing as a grouping was observed as the second most regularly used, yet the most effective communication method.

Table: 5.19 Effectiveness of direct marketing

Effectiveness of direct marketing	N	Mean	Standard deviation
Direct marketing	45	3.07	0.334
Direct mail	45	2.20	0.757
Database to facilitate direct marketing	45	1.42	0.499
SMS	45	2.22	1.020
Flyers	45	3.18	1.114
Networking	45	4.29	0.815
Point of sale materials on counter display	45	3.16	0.928
Word of mouth	45	4.33	0.769
Direct sales to potential clients	45	3.73	0.780
* High score indicates high usage			

Table 5.19 indicates that word-of-mouth is measured to be the utmost effective marketing communication method by the respondents, with a mean of 4,33, followed by networking, with a mean score of 4,29. Direct sales to potential clients (mean of 3,73) are regarded as less effective. The least effective method is database to facilitate direct marketing (mean of 1,42), followed by direct mail with a mean of 2,20. As word-of-mouth has the maximum total in the table with a mean of 4,33, and a high score shows high effectiveness, it is found to be the utmost effective

direct marketing communication method. Word-of-mouth was the second most regularly used direct marketing communication method after direct sales to potential clients (Table 5.10), followed by networking (mean 4,29). Flyers, which was deemed as the fourth most regularly used marketing communication method overall, is the third most effective method, with a mean score of 3,18. SMSs with a mean of 2,22 are considered to be a less effective marketing communication method of the methods in the group.

Effectiveness of interactive media

Table 5.20 reveals that email newsletters are the most effective method with a mean of 2,58. The second most effective method is solicited emails (mean 2,56). Websites, with a mean score of 2,31 are the least effective method. When comparing the research findings in Tables 5.16, 5.17, 5.18 and 5.19, the researcher found that interactive media is the second least effective communication method used by the SME owner/managers, just after public relations.

Table 5.20: Effectiveness of interactive media

Effectiveness of interactive media	N	Mean	Standard deviation
Interactive media	45	2.48	0.634
Website	45	2.31	0.925
Solicited e-mail	45	2.56	1.035
E-mail newsletters	45	2.58	1.097
* High score indicates high usage			

Effectiveness of Social media

Facebook (mean 2,53) is considered to be the most effective method used by the respondents. The second most effective method is YouTube, with a mean of 2,16. Twitter (mean of 2,02) is regarded as effective. Blogs, with a mean score of 1,93, is found to be the least effective method in this category. Facebook is the most regularly used marketing communication method in the category, and is also found to be the most effective method in the category of social media. The researcher found that YouTube is the second most regularly used marketing communication method, and is also the second most effective marketing communication method.

Table: 5.21: Effectiveness of Social Media

Effectiveness	N	Mean	Standard deviation
Social media	45	2.16	0.533
Blogs	45	1.93	0.863
YouTube	45	2.16	0.878
Twitter	45	2.02	0.965
Facebook	45	2.53	1.079
* High s score indicates high usage			

5.8 MOST EFFECTIVE MARKETING COMMUNICATION METHOD

The top five most effective marketing communication methods are word-of-mouth, networking, direct sales, trade shows and radio. The least effective marketing communication methods are magazines, press releases, database, brochures and television. Table 5.22 indicates which marketing communication methods are measured most effective (specified in yellow) and least effective (specified in blue).

Table: 5.22 Most effective marketing communication methods.

Item Statistics- Effectiveness	Mean	Std. Deviation	N
Word of mouth	4.33	.769	45
Networking	4.29	.815	45
Direct sales to potential clients	3.73	.780	45
Trade Shows	3.64	1.048	45
Radio	3.40	.580	45
Outdoor Billboards Posters	3.40	.654	45
Flyers	3.18	1.114	45
Point of sales material (counter display and stickers)	3.16	.928	45
Promotional gifts	2.82	.777	45
Exhibitions	2.80	.786	45
Discounts on sales	2.69	.733	45
Email newsletters (regular newsletters informing clients of specials/events)	2.58	1.097	45
Solicit mail (once- off email to introduce new products)	2.56	1.035	45
Facebook	2.53	1.079	45

Website	2.31	.925	45
SMS (Short message send)	2.22	1.020	45
Direct mail	2.20	.757	45
YouTube	2.16	.878	45
Newspapers Advertisement	2.07	.780	45
Sampling	2.07	.986	45
Twitter	2.02	.965	45
Coupons vouchers to buy specific	1.96	.824	45
Blogs	1.93	.863	45
Magazines	1.91	.733	45
Press Releases	1.44	.586	45
Database to facilitate direct marketing	1.42	.499	45
Brochures	1.38	.490	45
Television	1.27	.618	45

5.9 CORRELATION BETWEEN REGULARITY OF USE AND EFFECTIVENESS OF A MARKETING COMMUNICATION METHOD.

The research intended to determine correlation between the regularity of use of marketing communication methods and the effectiveness of the marketing communication methods used by the SMEs in clothing and textile manufacturing businesses operating from the Katutura and Khomasdal Incubation Centres. It is assumed that the more regularly a specific marketing communication method is used, the more effective a business would view the specific method as being the outcomes is reflected in Table 5.23.

Table: 5.23: Correlation between regular use and effectiveness of a marketing communication method.

Correlation between regularity and effectiveness		Effectiveness					
		Advertising	Sales promotion	Public relations	Direct marketing	Interactive media	Social Media
Advertising	Pearson correlation			-0.301(*) 0.044			-0.244 0.106

	p-value N			45			45
Sales promotion	Pearson correlation p-value N				-0.038 0.804 45		
Public relations	Pearson correlation p-value N		-0.125 0.414 45				
Direct marketing	Pearson correlation p-value N					-0.033 0.831 45	
Interactive media	Pearson correlation p-value N		-0.307(*) 0.012 45		-0.312(*) 0.037 45		
Social Media	Pearson correlation p-value N					-0.171 0.260 45	

Table 5.23: The significant negative correlation (-0,301) for advertising with public relations specifies that the more regularly advertising is used, the more it is considered to be effective for the SMEs. Research found that advertising was the second most regularly used marketing communication method after direct marketing and the fourth most effective marketing communication method. These research findings raise a question of why advertising is more regularly used if it's not considered to be least effective.

Second significant negative correlation (-0,307) is interactive media with sales promotion, which is seen as the fourth most regularly used marketing communication method and the third most effective marketing communication method. By interpretation it means that interactive media is least regularly used, but is seen as the more effective marketing communication method.

The final significant negative correlation (-0,312) is direct marketing with interactive media. Direct marketing is the most regularly used marketing communication method by the respondents and it is also the most effective marketing communication method.

5.10 MARKETING COMMUNICATION METHODS MOST SIGNIFICANT TO SMEs

The SME owners had the opportunity to specify which three marketing communication methods

are most important to their business and to support their opinion with reasons. During the pilot test, the researcher observed that some SME owner/managers may regard certain marketing communication methods as being important, but would not use the method. In view of this observation, the following question was asked: ‘Which three marketing communication methods do you consider to be the most important to your business?’ The research outcomes are provided in Figure 5.5.

Figure 5.5 Marketing communication methods observed most significant to SMEs.

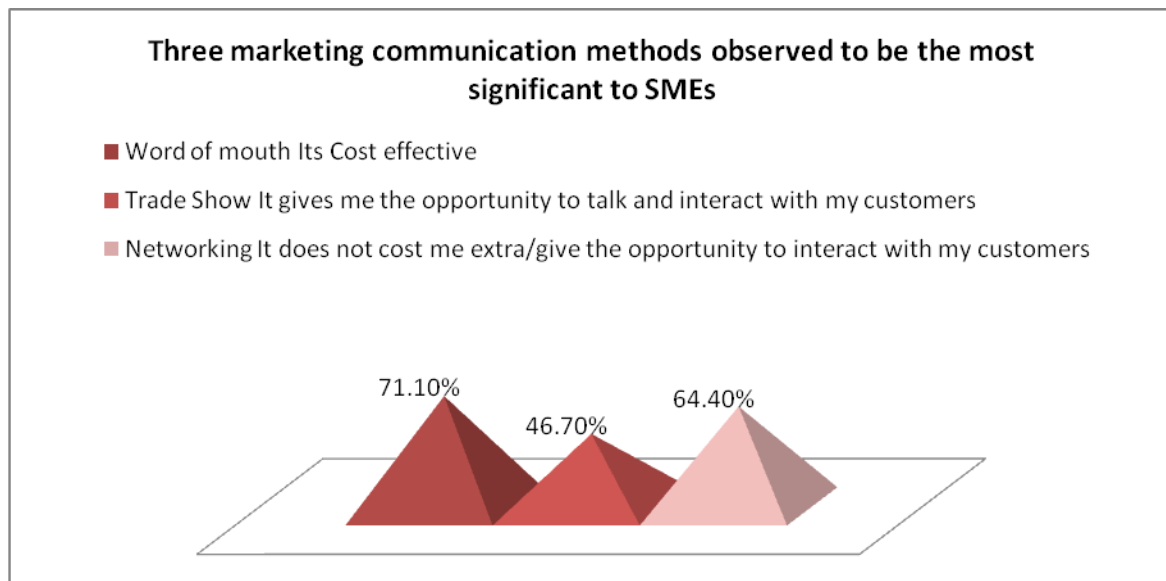


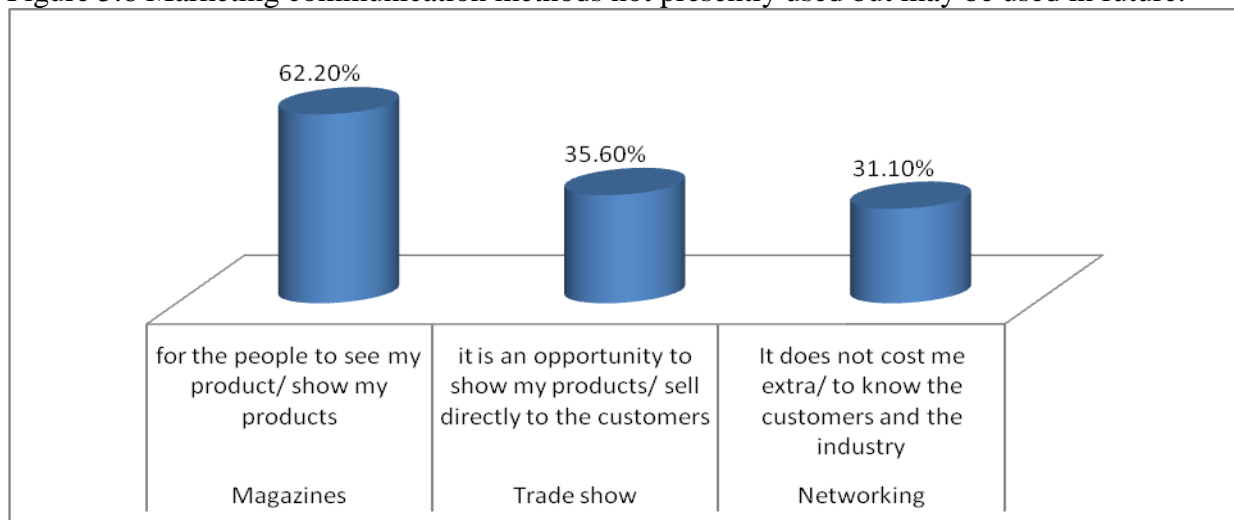
Figure 5.5 shows that 71,10% of the respondents regard word-of-mouth as the most important, because it is 'cost effective'. This finding is corroborated by Evans *et al.*, (2006:27) which suggests that 'word-of-mouth' is a cost effective advertising method suited for small businesses. Evans *et al.*, (2006:27) further suggests that 'word-of-mouth' can be an exceptionally useful method of marketing communication, since it is unrestricted and reliable'. Networking was the second most important marketing communication method, at 64,40%. The reasons advanced by the respondents are 'it gives me the opportunity to talk and interact with my customers' and 'it does not cost me extra'. This research finding is supported (O'Donnell, 2004:206–217), which suggests that networking enables the sharing of market knowledge and experiences, thereby new sales opportunities can be created. Trade shows was the third marketing communication method, at 46,70%, considered to be important and the reasons advanced were 'it gives me the opportunity to talk to and interact with my customers'. De Jong and Hulsink (2012) found that

trade shows enable SMEs to network between industry actors and promote their product offerings. These findings are confirmed by this research study.

5.11 FUTURE MARKETING COMMUNICATION METHODS

The researcher intended to determine whether there are marketing communication methods not currently used by the SME owner/managers which they may consider for future usage. The response is depicted in Figure 5.6.

Figure 5.6 Marketing communication methods not presently used but may be used in future.



According to Figure 5.6, the majority of the SMEs (62,2%) indicated that they might consider magazines in future and the reason being ‘for people to see my product’ and ‘show my products’. The second method that may be considered is trade shows, at 35,6% since ‘it is an opportunity to show my products and to sell directly to the customers’. The third communication method that would be considered is networking, with 31,10% because ‘it does not cost me extra, and to know the customers and the industry.’

5.12 HOW THE SELECTED MARKETING COMMUNICATION METHOD HAS CONTRIBUTED TO THE SMEs SUCCESS

Table: 5.26 How the marketing communication methods have contributed to business success.

	Regularity	Percent	Valid Percentage	Cumulative Percent
Improved sales/profits and turnover	42	93.3%	100.0	100.0
Old customers referred new customers to my business	3	6.7%	100.0	100.0
Total	45	100.0		

Table 5.26 reflects that the overwhelming majority (93,3%) of the respondents indicated the benefit they have received by using the specific method is ‘improved sales, profits and turnover’, while a significant minority (6,7%) indicated that the marketing communication method selected resulted in ‘old customers referring new customers to their businesses’.

5.13 CHALLENGES FACED WHEN CONSIDERING AND CHOOSING A MARKETING COMMUNICATION METHOD

Table 5.27 shows that 88,9% of the respondents indicated that lack of manpower and being understaffed are major challenges when considering a marketing communication method; 82,2% of the respondents indicated that cost of marketing communication methods are very high and affordability to apply certain marketing communication methods comes into question; 28,9% of the respondents indicated that due to the time constraint caused by production commitments, they cannot apply marketing communication methods.

Table: 5.27 Challenges faced by SMEs when considering and choosing a marketing communication method

	Regularity	Percent	Valid Percentage	Cumulative Percent
The cost of marketing communication methods are very high	37	82.2%	100.0	100.0
Lack of manpower/understaffed	40	88.9%	100.0	100.0
No time due to production/ work commitments	13	28.9%	100.0	100.0

5.14 SUMMARY

Where possible, the results were presented graphically. A demographic profile of the SMEs operating from the Katutura and Khomasdal Incubation Centres was developed, signifying the number of years the business had been operational and the number of employees. The marketing communication methods used by the SMEs in clothing and textile businesses operating from the Katutura and Khomasdal Incubation Centres were examined in relation to regularity, effectiveness and how significant the methods are measured to be.

A correlation was found between the regularity and effectiveness of marketing communication methods. Three significant negative correlations were identified and discussed. The chapter ended with the analysis on the opinions of SME owner/managers on how the selected marketing communication methods have contributed to their success. Finally, the challenges faced by SMEs when considering marketing communication methods were identified and recommended for further research.

CHAPTER 6

CONCLUSIONS AND RECOMMENDATIONS

6.1 INTRODUCTION

The literature suggests that the quality and regular use of marketing communication methods by an SME determines in the long term whether the business will succeed or fail and that certain choices with regard to marketing communication methods probably have an impact on SME success. However, no substantial research was conducted concerning the regular usage of marketing communication methods and the effectiveness of the said marketing communication methods. Therefore, it seems that there is a gap in the literature and this research aimed to address the gap by determining the marketing communication methods used by SMEs in clothing and textile manufacturing operating from the Katutura and Khomasdal Incubation Centres.

Research questions for the primary research were:

1. What are the marketing communication methods used by Namibian SMEs?
2. Which marketing communication methods are regarded as being the most effective for the SME?
3. What are the reasons for selecting and using those specific marketing communication methods?

The researcher collected data by means of a questionnaire designed for this research study. The research instruments were discussed in chapter four.

This chapter highlights the key findings from the research in an attempt to address the research question and objectives delineated. Conclusions from the research findings are provided, followed by the necessary recommendations where applicable.

6.2 THE SIGNIFICANCE OF THIS CASE STUDY FOR NAMIBIAN SME OWNERS/ MANAGERS OPERATION FROM THE KATUTURA AND KHOMASDAL INCUBATION CENTRES

The significance of this research study is that it discloses to the SMEs in the clothing and textile manufacturing businesses operating from Katutura and Khomasdal Incubation Centres which marketing communication methods are regularly applied and the effectiveness of those methods. The SMEs may consider using the marketing communication methods which are currently not applied or consider them for future use.

6.3 CONCLUSIONS AND RECOMMENTATIONS

This research intended to determine the marketing communication methods used by the clothing and textile manufacturing SMEs operating from the Katutura and Khomasdal Incubation Centres.

6.3.1 Demographic and business operations of SMEs

It is established that most of the SMEs surveyed are from the Katutura Incubation Centre. It is further established that most of the SME owner/managers at the two incubation centres surveyed are female (75,6%), while males represented 24,4%. The majority of the businesses (82,2%) do not have access to the internet. Therefore, it is recommended that internet service providers should be approached by the Ministry of Trade and Industry and other stakeholders such as the SME Development Fund and the Namibia Chamber of Mines and Industry to negotiate for special internet packages for SMEs.

Most of the SMEs have been operating from the incubation centre for more than five years. This practice defeats the purpose of incubation centres, as they are created to house SMEs for a short time, after which they should graduate into the business world. It is evident that all the SMEs investigated employ less than 50 employees. This finding confirmed that the SMEs surveyed are indeed small and medium enterprises. Research further established that only 2,2% of the SME owner/managers are degree holders and have other qualifications, such as Technical Certificates in Tailoring and Fabric Design.

6.4 MARKETING COMMUNICATION METHODS

Marketing communication methods have been grouped in six classifications, namely: public relations, social media, interactive media, sales promotion, advertising and direct marketing.

6.4.1 Marketing Communication Methods regularly used by SMEs

As the marketing communication methods were grouped, the most regularly used group was direct marketing, followed by sales promotion, advertising, interactive media, social media and public relations. Advertising and interactive media are not used as much by the SMEs in clothing and textile manufacturing businesses, and it is evident that social media and public relations are not that regularly used compared to direct marketing and other marketing communication methods. These findings can be attributed to the fact that most of the SMEs surveyed do not have access to internet. As direct marketing has been identified as the most regularly used and effective marketing communication method, it is recommended that SME owner/managers should focus more on the quality of their products and services they provide. These will create a positive image and word-of-mouth for their business.

The research established which are the top five most regularly and least regularly used marketing communication methods. The top five most regularly used marketing communication methods are direct sales, 'word-of-mouth', point of sale materials, networking, and newspaper advertisement. The least regularly used marketing communication methods are YouTube, television, direct mail, press releases and coupons/ vouchers. The reason advanced by the SMEs as to why they used these marketing communication methods on a regular basis is that it is 'cost effective', and that they do not have to pay for the service.

The study revealed that some of the marketing communication methods most regularly used by the SMEs are found not to be the most effective marketing communication method. The following examples can be highlighted: Advertising is the third most regularly used marketing communication method, but has been identified as the fourth most effective marketing communication method. It is worth noting that direct marketing and sales promotion maintain

their positions as the top two most regularly used marketing communication methods and the top two most effective marketing communication methods used by SMEs.

A correlation was done between the regularity of use of specific communication methods and its effectiveness. The significant negative correlation (-0,301) for advertising with public relations indicates that the more regularly advertising is used, the more effective it is deemed. Significant negative correlation (-0,307) is interactive media with sales promotion, which is seen to be the fourth most regularly used marketing communication method and the third most effective marketing communication method. By interpretation it means that interactive media is least regularly used, but is seen to be a more effective marketing communication method. The last significant negative correlation at (-0,312) is direct marketing with interactive media. Direct marketing is the most regularly used marketing communication method.

As the research found that regular use and the effectiveness of specific marketing communication methods do not correlate, it raises questions as to why the SMEs are using this specific method. A possible reason could be that the SME owner/managers cannot correctly measure the effectiveness of the selected marketing communication method. In view of these remarks, it is recommended that SME owner/managers be given short training programmes on effectiveness and quantifying of marketing communication methods. This would enable SME owner/managers to effectively evaluate marketing communication methods applied by their businesses.

6.4.2 Most important Marketing Communication Methods

The study further established that 71,10 % of the SMEs surveyed considered ‘word-of-mouth’ as the most important and effective marketing communication method. The reason the SME owner/managers considered word-of-mouth as being important is ‘it is cost effective’. This observation can also be amplified by the fact that most of the SMEs have a limited budget or no budget for marketing due to the high cost of marketing. Networking was the second most important and effective marketing communication method indicated by 64,40% of the SMEs studied. The reasons advanced by the SME owner/managers are ‘it gives me the opportunity to talk and interact with my customers’ and ‘it does not cost me extra’. Trade shows was the third

most-preferred marketing communication method indicated by 46,70% of the SMEs and the reasons advanced were 'it gives me the opportunity to talk to and interact with my customers'.

6.4.3 Marketing communication methods not currently being used, but may be considered in future.

The top three marketing communication methods for future use highlighted are magazines, indicated by 62,20% of the SMEs, trade shows (35,60%) and networking (31,10%). As trade shows, magazines and networking are considered for future use, it is recommended that SME owner/managers should network with industry leaders and trend setters. Trade show societies such as the Windhoek Show Society would be a good source of business references for SMEs.

6.4.4 The impact of the selected marketing communication methods.

An overwhelming majority (93,3%) of the SMEs have recorded improved sales and profits and turnover after they had used 'word-of-mouth' as marketing communication method.

Some of the challenges facing SME owner/managers when considering marketing communication methods have been acknowledged as follows: the overwhelming majority (82,2%) indicated that due to the high cost of marketing, they are unable to use some of the marketing communication methods. In view of this finding, it is recommended that different media houses be approached to design and determine special marketing packages for SMEs. Special SME development or advert sections can be negotiated with newspaper outlets.

6.5 RECOMMENDATIONS FOR FUTURE RESEARCH

Based on the research findings, the researcher recommends future research into:

- Challenges faced by Namibian SMEs when considering which marketing communication methods to use.
- The correlation between the regular use of marketing communication methods and effectiveness of the said marketing communication methods.
- The effectiveness of marketing communication methods applied by SMEs.

6.6 SUMMARY

The study intended to determine the marketing communication methods used by Namibian SMEs in clothing and textile manufacturing businesses operating from the Katutura and Khomasdal Incubation Centres. The research indicated that the top five most regularly used marketing communication methods are direct sales, 'word-of-mouth', point of sale materials, networking, and newspaper advertisement. The least regularly used marketing communication methods are YouTube, television, direct mail, press releases, and coupons/ vouchers. Networking was the second most important and effective marketing communication method. Trade shows was the third most-preferred marketing communication method and the reasons advanced were 'it gives me the opportunity to talk to and interact with my customers'.

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ANNEXURE A: QUESTIONNAIRE

Masters of Commerce Questionnaire

on

MARKETING COMMUNICATION METHODS USED BY NAMIBIAN CLOTHING AND TEXTILE SMEs – A CASE STUDY OF SMEs OPERATING AT THE KATUTURA AND KHOMASDAL INCUBATION CENTRES

This information will be kept confidential and only aggregated results will be presented in the research.

Section: 1 SME Demographics and Business operation

1.1 In which incubation centre is your business located? (Tick where you are located)

Katutura Incubation Centre	Khomasdal Incubation Centre
<input type="checkbox"/>	<input type="checkbox"/>

1.2 Please indicate your gender:

Female	<input type="checkbox"/>	Male	<input type="checkbox"/>
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1.3 How long has your business been operating from the indicated incubation centre?

Years	Tick
0-1	<input type="checkbox"/>
2-5	<input type="checkbox"/>
6-10	<input type="checkbox"/>
11-15	<input type="checkbox"/>
16 +	<input type="checkbox"/>

1.4 Do you have access to internet for your SME operations?

Yes	No

1.5 Do you have an active website for your SME?

Yes	No

1.6 What services are provided in the incubation centre?

.....

.....

.....

.....

1.7 What are the advantages for your business to operate from the incubation centre?

.....

.....

.....

.....

1.8 What are the disadvantages for your business to operate from the incubation centre?

.....

.....

.....

.....

1.9 How many employees does your business have?

Tick the applicable number of employees according to rank and also indicate whether the employees are part time or fulltime.

Number of Employees	Full time		Part time	
	Managers	Employees	Managers	Employees
1 - 5				
6 - 10				
11 - 20				
20 +				

1.10 What is your highest qualification?

Grade 10/ Standard 8		Degree	
Matric/ Grade 12		Other:	

1.11 Kindly indicate what you sell in your business

Item	Indicate
School uniform	
Wedding dresses	
Traditional dresses	
Men's Suits	
Others (specify) Overall	

1.12 Who are your customers, who buys from you?

Customers	Indicate
Tourist	
Wholesalers	
End users	
Others (specify)	

Section 2: Marketing Communication methods regular use and effectiveness of marketing communication methods.

a) Indicate the regular use of use of the listed marketing communication methods.

- b) Rate the effectiveness of each tool (in terms of generating maximum sales at the lowest cost) separately , where 1= total ineffective, 2= ineffective, 3= effective, 4= more effective and 5= most effective

	Methods	Regularity					Effectiveness (rate 1-5)
		Daily	Weekly	Monthly	Once a year	Never or don't have	
1.	Television						
2.	Radio						
3.	Newspapers/ Advertisement						
4.	Brochures						
5.	Magazines						
6.	Outdoor (Billboards/posters)						
7.	Discounts on sales						
8.	Sampling(give away samples to encourage sales						
9.	Use Database to facilitate direct marketing						
10.	Press releases (send to different media houses to inform them about new products)						
11.	Exhibitions						
12.	Trade shows						
13.	Promotional gifts						
14.	Coupons (vouchers to buy specific offerings)						
15.	Direct mail						
16.	Direct sales to potential clients						
17.	SMS						
18.	Point- of –sale materials (counter displays, stickers)						
19.	Flyers						
20.	Word of mouth						
21.	Website						
22.	Solicit e-mail (once –off email to introduce new products)						
23.	E-mail newsletters (regular newsletters informing clients of specials/events)						

24.	Networking						
25.	Facebook						
26.	Blogs						
27.	Twitter						
28.	YouTube						

Section: 3 Marketing Communication methods observed to be utmost effective

3.1 Which three marketing communication methods (selected in 1.1 do you observe to be the most effective to your business? Support your choice with reasons.

Marketing communication method	Reasons

Section: 4 Marketing Communication methods to be used in future

4.1 Which three marketing communication methods not presently used by the SME might be used in future? Support your choice with reasons.

Marketing communication method	Reasons

Section 5. Marketing communication methods applied and how it contributed to SME success.

5.1 In your opinion, how did the selected marketing communication method contribute to your SME success?

.....

.....

.....

.....

5.2 In your opinion what challenges are you faced with when considering and choosing a marketing communication method?

.....

.....

.....

.....

THANKS FOR MAKING TIME TO ANSWER THE QUESTIONNAIRE

ANNEXURE B: ACCEPTANCE OF RESEARCH PROPOSAL

Department of Marketing and Retail Management
Unisa
PO Box 392
Pretoria
0003

Dear Cleophas (student number 39697479)

CONFIRMATION OF ACCEPTANCE OF RESEARCH PROPOSAL

I hereby have the pleasure to confirm that we have approved that we have agreed that you may continue with your studies bases on your research proposal as we have also said telephonically.

You are welcome to contact us at any time with regard to any questions. You contact person is Prof van Scheers.

I am not in the position to send the requirements and procedure for ethical clearance yet, because the relevant section is still finishing the new document. I will inform you soon.

Best wishes

Dr J A R Botha

Senior Lecturer

E-commerce, Product Management and Cybermarketing

Dept of Marketing and Retail Management

 bothajar@unisa.ac.za

 012 429 4610

083 276 4466

Fax: 086 611 9906

ANNEXURE C: APPROVAL LETTER FROM CITY OF WINDHOEK

Department of Economic, Development and Community Services

✉ 59
80 Independence Avenue
WINDHOEK, NAMIBIA

Fax: (+264) 61 290 2112 • Tel. (+264) 61 290 2280 •



Enq.: L.B Joodt
E-mail: ljo@windhoekcc.org.na
Date: 11 August 2011

Tel: 290 2325
Fax: 2292112
Ref: Research

Mr. Cleophas George Gawaseb
UNISA Masters of Commerce student
S/N 3969-747-9

Dear Mr. Gawaseb

**SUBJECT: PERMISSION TO CONDUCT RESEARCH AT CITY OF WINDHOEK
SME MARKETS**

I trust that this communiqué finds you well. Your request to conduct research at the SME markets within the City of Windhoek is herewith granted.

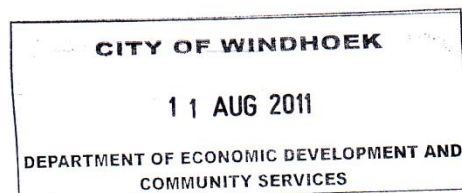
The Economic Development, Tourism and Marketing Division welcome your research which will focus on the topic: *"Evaluation of marketing strategies applied by Namibian small and medium enterprises (SMEs)"*. The Division oversees small, micro and medium business activities at 19 informal markets, four (4) industrial stalls and one (1) Incubation Centre and various informal trading activities within the city.

Please accept our invitation for you to present your findings and recommendations of the final results from your research upon the conclusion of your study. This will offer us an opportune chance to improve our service delivery to the SMMEs. *For any further communication kindly contact Ms. Joodt at the contact details provided above.*

We wish you well in your research and will provide information to you where need be.

Yours faithfully


MG. MAYUMBELO
STRATEGIC EXECUTIVE



ANNEXURE D: CONFIRMATION LETTER

Confirmation Letter

To whom it my Concern

This letter serves to inform you that that the following statistical analysis:

- Frequencies
- Cross tabulations
- Correlations

were done by a Statistician in the Office of Graduate Studies and Research (UNISA).

For : **Cleophas George Gaweseb** , Student Number : **39697479**, Research topic : **DETERMINE MARKETING COMMUNICATION METHODS USED BY NAMIBIAN SME OWNER/MANGERS OPERATING IN KATUTURA AND KHOMASDAL INCUBATION CENTRES"**

Yours Sincerely



Andries Masenge

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ANNEXURE E: LETTER OF CONCERN



UNIVERSITEIT VAN PRETORIA
UNIVERSITY OF PRETORIA
YUNIBESITHI YA PRETORIA
Faculty of Economic and Management
Sciences

Department of Marketing Management

10 March 2015

To whom it may concern

RE: Cleophas George Gaweseb, student number: 3969-747-9

I hereby give Cleophas G. Gaweseb permission to use the measurement scale which I developed for my Master's dissertation entitled, "Marketing Communication Methods used by Tour Operators in Gauteng".

I wish Cleophas all the best with his Master's dissertation.

Sincerely,

A handwritten signature in black ink, appearing to read 'MC van der Merwe', enclosed in an oval.

MC van der Merwe
Lecturer
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ANNEXURE F: CERTIFICATE OF VERIFICATION



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CERTIFICATION OF VERIFICATION

Nr CG/xyy/05/2015

This document certifies that the manuscript

**MARKETING COMMUNICATION METHODS USED BY
NAMIBIAN CLOTHING AND TEXTILE SMEs – A CASE STUDY
of SMEs OPERATING FROM KATUTURA AND KHOMASDAL
INCUBATION CENTERS**

Submitted by

Cleophas Gaweseb

was edited for English language and grammar, and prescribed
citation and referencing style.

Louise Hamlyn
Member Professional Editors' Group

